

SAN FRANCISCO PUBLIC LIBRARY



3 1223 07661 2341

5 / S



San Francisco Public Library

Government Information Center
San Francisco Public Library
100 Larkin Street, 5th Floor
San Francisco, CA 94102

REFERENCE BOOK

Not to be taken from the Library



Digitized by the Internet Archive
in 2012 with funding from
California State Library Califa/LSTA Grant

<http://archive.org/details/66minutesregular2003sanf>

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF JANUARY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 14th day of January 2003, at the place and date duly established for holding of such a meeting.

President Michelle Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Michelle W. Sexton, President
Kathryn C. Palamountain, Vice-President
Mark Dunlop (departed at 8:30 p.m.)
Leroy King (arrived @ 4:05 p.m.)
Ramon E. Romero
Darshan Singh (departed @ 8:30 p.m.)
Benny Y. Yee (arrived at 4:44 p.m. and departed @ 8:30 p.m.)

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

DOCUMENTS DEPT.

4. MATTERS OF NEW BUSINESS:

SEP 13 2007

CONSENT AGENDA

SAN FRANCISCO
PUBLIC LIBRARY

4 (a) Approval of Minutes: Meetings of December 10 and 17, 2002

3 1223 07661 2341

Note: Commissioners Dunlop and Singh abstained from voting on the December 10th minutes, as they were not in attendance. President Sexton abstained from voting on the December 17th minutes, as she was not in attendance.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT THE CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETINGS OF DECEMBER 10 AND 17, 2002, BE ADOPTED.

REGULAR AGENDA

4 (b) Election of President and Vice President (calendar year 2003)

MS. PALAMOUNTAIN NOMINATED MICHELLE W. SEXTON FOR THE OFFICE OF PRESIDENT. MR. SINGH SECONDED THE NOMINATION. THE COMMISSION VOTED UNANIMOUSLY (MR. YEE ABSENT) TO ELECT MICHELLE W. SEXTON AS THE PRESIDENT.

Commissioner Dunlop lent his support for Commissioner Sexton and recalled that when Ms. Sexton was first elected President in September 2002, he had abstained from voting not because of Ms. Sexton, but because he disagreed with the process. Mr. Dunlop stated that since that time, it had been a pleasure serving with Ms. Sexton and he looked forward to a full year of working together.

MS. PALAMOUNTAIN NOMINATED RAMON E. ROMERO FOR THE OFFICE OF VICE-PRESIDENT. MR. DUNLOP SECONDED THE NOMINATION. THE COMMISSION VOTED UNANIMOUSLY (MR. YEE ABSENT) TO ELECT RAMON E. ROMERO AS THE VICE-PRESIDENT.

Commissioner Dunlop lent his support for Commissioner Romero and recalled that he had served with Mr. Romero for over five years and stated that Mr. Romero would be valuable asset to the Agency's executive team.

At this time, Ms. Palamountain relinquished her chair to newly elected Vice-President Ramon E. Romero.

4 (c) Resolution No. 1-2003, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series to finance the acquisition and rehabilitation of a multifamily residential rental housing development known as the Herald Hotel, located at 308 Eddy Street, pursuant to the Agency's Housing Preservation Program, for redevelopment purposes in an amount not to exceed \$10,000,000; Citywide Housing Program

Presenters: Olson Lee (Agency staff)

Speakers: Susan Bryan

Commissioner Palamountain asked if RHC Communities' 3,300 housing units in 22 developments were all located in California and if staff was aware of RHC Communities' record in tenant relations.

Mr. Sean Spear of the Housing Division responded that all of RHC Communities' developments were located in California. Mr. Spear stated that he consulted with the City of Santa Rosa about the developer's record on tenants' relations and was informed that the City of Santa Rosa did not have any complaints and maintained a good record with its tenants.

Commissioner Palamountain stated that she was glad to have a new partner in the preservation of affordable housing in San Francisco and put forth a motion to adopt item 4 (c).

Commissioner Dunlop lent his support for the project and stated that Agency staff had an excellent track record working with seniors and disabled people and was certain that such good work would continue. Mr. Dunlop seconded Commissioner Palamountain's motion.

President Sexton asked who the bond counsel and underwriter were for the proposed bond issuance.

Mr. Spear responded that the bond counsel was Sidley and Austin and there was no underwriter because the bond issuance would be a private placement.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 1-2003, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES TO FINANCE THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY RESIDENTIAL RENTAL HOUSING DEVELOPMENT KNOWN AS THE HERALD HOTEL, LOCATED AT 308 EDDY STREET, PURSUANT TO THE AGENCY'S HOUSING PRESERVATION PROGRAM, FOR REDEVELOPMENT PURPOSES IN AN AMOUNT NOT TO EXCEED \$10,000,000; CITYWIDE HOUSING PROGRAM, BE ADOPTED.

Items 4 (d) and (e) were presented together and acted upon separately.

4 (d) Resolution No. 2-2003, Authorizing the Seventh Amendment to the Disposition and Development Agreement with Armax Yerba Buena LLC, a California limited liability company, to revise the schedule of performance and modify certain terms and conditions regarding a full-service grocery store at 399 Fourth Street (Parcel 3751-H), in accordance with the approved and executed settlement agreement; Yerba Buena Center Approved Redevelopment Project Area

4 (e) Resolution No. 3-2003, Authorizing Approval of the Reinstated Lease between Armax Yerba Buena LLC, a California limited liability company, and Whole Foods Market California, Inc., a California corporation, regarding a full-service grocery store at 399 Fourth Street (Parcel 3751-H), in accordance with the approved and executed settlement agreement; Yerba Buena Center Approved Redevelopment Project Area

Presenters: Andrico Penick (Agency staff)

Speakers: Marc Salomon, Jim Salinas, Sr., Leslie Hennesey, Michael Alfaro, John Elberling, Marilyn Z. Smith, Barbara Travis, Barbara O'Leary, Ernest Molins, Jeffrey Leibovitz, Raymond Magpantay, Michael Sweet, Supervisor Chris Daly

Commissioner King responded to Supervisor Chris Daly's statements that Commissioner King had concerns with Whole Foods not supporting the labor unions and clarified that his concerns were with Whole Foods' non-compliance with the City's minimum compensation and health benefits policies.

Commissioner King stated that he would vote against the settlement agreement as he did previously in closed session because Whole Foods was not serving low-income people and did not want to comply with the City's minimum compensation and health benefits policies. Mr. King recalled that the Agency lost the lawsuit and that was why the matters were back before the Commission. Mr. King stated that he felt Whole Foods charged high prices for its goods and services.

Commissioner Dunlop stated that he understood Commissioner King's statements and that they were legitimate concerns, but because of the court's decision, the Agency had to move forward with the supermarket. Mr. Dunlop asked if there would be discounts for seniors as previously proposed.

Executive Director Marcia Rosen responded that Whole Foods had asserted in the community that there would be senior discounts, but that was not stipulated in the agreement.

Ms. Judy Eng of Development and Real Estate added that the Disposition and Development Agreement required the exploration of senior discounts, but such investigation had not yet occurred.

Commissioner Dunlop urged staff to pursue the issue and asked if staff knew of Whole Foods' hiring practices and if the Agency had protections in place to ensure that Whole Foods hired locally.

Mr. Andrico Penick Deputy General Counsel, responded that the Disposition and Development Agreement (DDA) required the inclusion of certain local hiring preferences, but such provisions were not included entirely in the proposed lease between Armax and Whole Foods. Instead, the Agency required a guarantee in the DDA that Armax would impose the local hiring preferences on their lease with Whole Foods. Mr. Penick stated that non-compliance with local hiring preferences would result in a default on the developer Armax, and not on the supermarket Whole Foods, and the Agency would have recourse to seek legal remedies from Armax.

Commissioner Dunlop put forth a motion to adopt item 4 (d).

Commissioner Singh asked if Whole Foods' prices were competitive and if they would have a delicatessen in the supermarket, with tables and chairs. Mr. Singh asked if Whole Foods would hire from the local community.

Ms. Eng stated that staff believed that the prices were competitive and pointed out that Whole Foods carried its own brands of food. Ms. Eng informed the Commission that there would be a delicatessen within the supermarket, but Whole Foods had not yet submitted the design for the supermarket. Ms. Eng stated that Whole Foods would hire employees locally.

Commissioner Romero lent his support for both items and acknowledged telephone calls he received from the public supporting the Whole Foods supermarket. Mr. Romero assured the public that the Agency was always concerned with providing the needed supermarket in the community and it would have approved a supermarket a long time ago if there was a grocer willing to locate in the area, because the Agency was concerned with helping provide for the necessities of the neighborhood. The Agency got into a dispute about the application of the City's minimum compensation and health benefits policies because it wanted protections for people that worked within redevelopment project areas. Mr. Romero stated that he hoped that Whole Foods listened and heard the issues raised by the public and the Commission about concerns for the well-being of future Whole

Foods' employees and how they would be treated as well as concerns raised about the senior discount program. Mr. Romero urged Whole Foods to take affirmative steps to address the issues raised, not because it was required to do so, but because it desired to become a contributing and positive member of the community. Mr. Romero seconded Commissioner Dunlop's motion to adopt item 4 (d).

Commissioner Yee acknowledged the many telephone calls he received from residents of South of Market supporting the Whole Foods supermarket and stated that he felt that the supermarket was an important amenity for the community. Mr. Yee inquired about the proposed delicatessen within the supermarket and asked what the distinction was with what might look like a restaurant. Mr. Yee also asked how far away the Safeway supermarket under construction in Mission Bay was from the Whole Foods supermarket.

Ms. Bertha A. Ontiveros, Agency General Counsel, responded that the delicatessen would be occupy only a small space and not large enough to exceed the threshold that would classify it as a restaurant and trigger the Agency's card-check requirements for a restaurant.

Executive Director Rosen informed the Commission that the Safeway supermarket was located on Fourth and King Streets and was about four blocks away from the Whole Foods supermarket.

Commissioner Palamountain verified that the Agency waived the affordable housing requirement from Armax in exchange for the development of a supermarket. Mr. Penick affirmed that the affordable housing requirement was waived by the Agency. Ms. Palamountain recalled that the Commission voted unanimously to adopt the City's minimum compensation and health benefits policies and believed that the Agency applied the policies in good faith to ensure that employees of Whole Foods would be able to live in San Francisco earning reasonable wages. Ms. Palamountain stated that she was voting for the items without a great conviction that Whole Foods would in fact pay its employees reasonable wages and that she was voting reluctantly.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, THAT ITEM 4 (d) RESOLUTION NO. 2-2003, AUTHORIZING THE SEVENTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH ARMAX YERBA BUENA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE SCHEDULE OF PERFORMANCE AND MODIFY CERTAIN TERMS AND CONDITIONS REGARDING A FULL-SERVICE GROCERY STORE AT 399 FOURTH STREET (PARCEL 3751-H), IN ACCORDANCE WITH THE APPROVED AND EXECUTED SETTLEMENT AGREEMENT; YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Mr. Singh
Mr. Yee
Ms. Sexton

AND THE FOLLOWING VOTED “NAY”:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.

THE PRESIDENT THEREUPON DELCARED THAT ITEM 4(d) RESOLUTION 2-2003, WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, THAT ITEM 4 (e) RESOLUTION NO. 3-2003, AUTHORIZING APPROVAL OF THE REINSTATED LEASE BETWEEN ARMAX YERBA BUENA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND WHOLE FOODS MARKET CALIFORNIA, INC., A CALIFORNIA CORPORATION, REGARDING A FULL-SERVICE GROCERY STORE AT 399 FOURTH STREET (PARCEL 3751-H), IN ACCORDANCE WITH THE APPROVED AND EXECUTED SETTLEMENT AGREEMENT; YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED “AYE”:

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Mr. Singh
Mr. Yee
Ms. Sexton

AND THE FOLLOWING VOTED “NAY”:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.

THE PRESIDENT THEREUPON DELCARED THAT ITEM 4(e) RESOLUTION 3-2003, WAS ADOPTED.

4 (f) Resolution No. 4-2003, Authorizing a First Amended Exclusive Negotiations Agreement with Fillmore Development Associates, LLC, a California limited liability company, to extend the first benchmark date for the approval of the basic concept design and clarify certain terms and conditions for the proposed mixed-use project at Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets, Western Addition Redevelopment Project Area A-2

Presenters: Shirley Wysinger, Joanne Sakai (Agency staff), Michael Johnson (Fillmore Development Associates)

Speakers: Wiley Pierce, Ray Antonio, Michael Vanderhorst, Thomas Campbell, Jr., Mary Helen Rogers, Reverend Arnold Townsend, Joe O'Donoghue, Ace Washington, Randall Martinez, Charles Gibson-McClinton, Al Norman, Walter Johnson, Reverend Ted Frazier, Muhammed Al-Kareem, Dr. Amos C. Brown, Derf Butler, Carmen Johnson, James H. Pye, Jr. Lance Burton, Fred Pecker

Commissioner Yee recalled the long and negative history of the Western Addition and opined that Parcel 732-A was the last development opportunity for African-American developers because there had not been a major project developed by an African-American developer anywhere in the City. Mr. Yee asked for staff's opinion of what would be a fair developer's fee for the project. Mr. Yee inquired about the soil contamination allowance for the project in the amount of one million dollars and suggested that staff should update the cost estimate because if the remediation was underestimated, it could negatively impact the feasibility of the project and would pose undue hardship upon the developer. Mr. Yee asked when the \$6.6 million land value was appraised because he stated that he believed that the real estate market was very unstable and suggested a new appraisal to obtain the most accurate figures.

Ms. Joanne Sakai responded that based upon the developer's equity, the Agency's subsidy and the ability of the project to repay any required bonding for the project, staff believed that a 3.7% developer fee which amounted to \$1.4 million for the proposed project was deemed fair.

Ms. Sakai stated that staff believed the soil contamination allowance of one million dollars was a reasonable estimate.

Executive Director Marcia Rosen added that the estimate was done in 2001 and that if the remediation cost was more than the one million dollar estimate, staff believed that would not impact the project's feasibility.

Ms. Sakai responded that the appraisal was done on July 30, 2001 and was based upon a floor area ratio of 1:2 with no transfer of development rights.

Commissioner Yee asked if staff had looked at alternatives to financing the project more creatively to ensure the success of Fillmore Development Associates (FDA) on a very important project.

Executive Director Rosen clarified that the Agency's proposal was deemed feasible and consistent with the developer's proposal and would achieve the economic development goals. Ms. Rosen stated that staff recognized that in addition to the land and toxic remediation, there might be two other areas where the Agency may need to provide some financial assistance to make the project feasible. One was for the commercial, retail and restaurant spaces where there may be a tenant improvement loan, but staff did not yet have accurate figures for those components. Agency staff supported the direction that the developer was headed and was encouraged that the developer had identified potential users of the commercial spaces and staff acknowledged that it would have to come before the Commission in the future to seek authorization for potential funding of such tenant improvements. Second was the possible need to help finance the portion of the parking garage that would support the economic uses because it was uncertain if the Department of Parking and Traffic would have sufficient funds to help finance the parking garage.

Commissioner Yee stated that Fillmore Development Associates was a qualified developer and commended its dedication to develop Parcel 732-A and recalled that the Agency had previously funded other projects and supported the financial assistance for Parcel 732-A. Mr. Yee observed that there was a very small difference between the Agency's proposal and that of the developer's and encouraged the two parties to forge ahead so that the development may proceed.

Commissioner Dunlop thanked members of the public who came and testified and stated that there was no question about the project's importance and the need to move forward on a very important development. Mr. Dunlop stated that he agreed with Commissioner Yee's statement that the developer's proposal and staff's recommendation were not too far apart and suggested that the Commission hold a closed meeting with the developer to complete the negotiations and asked the General Counsel if such a suggestion was appropriate.

General Counsel Bertha A. Ontiveros informed the Commission that the Brown Act specifically states that a closed session meeting regarding real estate negotiations could only be conducted with the Agency's designated negotiators and not with the other party.

Commissioner Dunlop referred to the new proposal by the Fillmore Development Associates and suggested a continuance of the matter for two weeks to allow time for staff and Fillmore Development Associates to negotiate on the proposed conditions for continuing exclusive negotiations. Mr. Dunlop stated that the developer had come a long way in meeting the Agency's conditions and would urge both parties to come to a negotiated agreement and move forward. Mr. Dunlop put forth a motion to continue the matter until the Commission meeting of January 28, 2003. Commissioner Yee seconded the motion.

In order for the Commission to continue discussion on the specific item on the agenda, instead of the motion to continue the matter, Commissioners Dunlop and Yee withdrew the motion and second with the intention of making the motion after Commission discussion is concluded.

Commissioner Palamountain asked what the current bonding capacity was for the Western Addition.

Ms. Sakai informed the Commission that there was \$16 million of bonding capacity in the Western Addition targeted for six potential new development projects that would produce 326 new housing units.

Commissioner Palamountain stated that she would look at three factors in making her decision about the project in light of the fact that the Agency did not have a lot of time before the redevelopment plan expired, (1) that something should be built on Parcel 732-A; (2) that whatever was to be built on Parcel 732-A should be built in a timely manner, and (3) that the development should bring economic development to the Western Addition. Ms. Palamountain asked if the Request for Proposals (RFP) indicated the availability of transferable development rights (TDRs) from Parcel 732-B specifically.

Executive Director Rosen responded that the RFP indicated the potential availability of TDRs from Parcel 732-B as well as Parcel 725-C subject to further review and approval by the Agency Commission.

Commissioner Palamountain discussed with Michael Johnson of the FDA the following matters: (1) inclusion of TDRs in FDA's proposal, (2) proposed variance on the proposed development's density, (3) how proceeds from the land write-down would be used, (4) percentage of below-market-rate housing units, (5) development funding of commercial core and shell along with tenant improvements, (6) the number of parking spaces to be provided, and (7) the developer's proposed fees for the project.

Mr. Michael Johnson of FDA informed the Commission that their proposal included the TDRs from Parcel 732-B because the RFP indicated the

availability of the development rights and that their calculation of the density was based on the assumption of the total development density allowed under the redevelopment plan for both parcels 732-A and B. This would require an agreement from the owner of 732-B to not utilize its unused development rights. Mr. Johnson stated that he recognized that this might trigger a redevelopment plan amendment and an environmental impact report, so he proposed that the Commission consider granting a variance for the proposed development density that exceeded the redevelopment plan requirements. Mr. Johnson and Executive Director Rosen both stated that there was agreement on the concept of the use of the land write-down proceeds and that all of the value of the land would be used for the economic feasibility of the proposed economic uses.

Mr. Johnson stated that he would follow the Commission's will and include 15 percent below-market-rate housing units in the project.

Ms. Sakai responded that staff assumed that the construction subsidy was included in the tenant improvement portion of the proposed budget. Mr. Johnson added that FDA was in agreement and would continue working with staff to refine the numbers.

Mr. Johnson explained that they had determined earlier that it was necessary to go two levels underground for the parking and intended to maximize the number of parking spaces that could be included because of the higher cost of going two levels underground and to enhance the marketability of the proposed end users. Ms. Sakai stated staff believed that the required parking spaces could fit in one level and was awaiting the completion a parking feasibility analysis and was hopeful that the Department of Parking and Traffic would still be able to help finance a portion of the proposed parking garage. Ms. Rosen added that there was a conceptual agreement on the parking issue and that both parties understood that the office and housing components would pay for its parking and staff hoped that the Department of Parking and Traffic would have sufficient funds to fund the parking spaces devoted to the public uses of the commercial and entertainment uses. Mr. Johnson stated that there was not a consensus that the office uses would pay for their parking and informed the Commission that based upon consultations with the Department of Parking and Traffic, the proposed parking garage, whether it had 200 or 290 spaces, would have the same operating costs and that such a parking garage would not be financially feasible and would require a cross-subsidy from the Agency if the Department of Parking and Traffic did not have the funds.

President Sexton stated that parking garages were typically financed on a per-stall basis whether they were owned and paid for by condominiums or offices, which were paid on a monthly basis and have the right of first use. Ms. Sexton added that parking garages for mixed-use developments often

have validated parking service for nighttime and weekend clientele with reduced parking fees to encourage patronage. Ms. Sexton stated that she agreed with Mr. Johnson's assertion that the proposed parking garage was not financially feasible because of the reduced projected parking revenues, but was hopeful that staff and Mr. John would work together to come up with a solution.

Mr. Johnson addressed the question about the developer's fee and stated that the biggest difference with Agency staff's recommended developer fee was that staff did not take into consideration the construction loan and loan guarantee requirements that the developer would have in securing the construction financing for the project. Mr. Johnson stated that a \$1.4 million developer fee recommended by staff for a \$38 to \$41 million construction loan would be viewed as not financially feasible by construction lenders and the negotiated overhead, fees and profits would have to be substantially higher than what staff had recommended.

Commissioner Palamountain stated that she would support a two-week continuance of the matter in order for staff to gather more information about the developer attorney's assertion that TDRs would not trigger environmental review or a plan amendment, the parking feasibility analysis, and the developer's proposed fees for the project.

Commissioner King stated that he was puzzled with staff's recommended developer fee of \$1.4 million and believed that the developer for the 732-A should make the same profits as all other developers in the City. Mr. King reminded staff that there was broad community support for FDA to develop the last remaining parcel in Western Addition and that he would not support staff's recommendation on the developer fee. Mr. King acknowledged the hard work of staff, but urged continued negotiations to come up with a reasonable return for the developer.

Ms. Sakai informed the Commission that staff looked at other Agency-assisted projects including commercial and homeownership developments to develop the recommended developer fee and the fee was based upon the amount of developer equity and Agency subsidy.

President Sexton thanked staff and the developer for the informative presentation and stated that she supported a two-week continuance of the matter and asked staff to gather information on the TDRs, and parking feasibility. Ms. Sexton suggested that staff obtain information for the parking garage that was built to serve Yoshi's in Oakland, specifically parking validation rates. Ms. Sexton stated that she supported the economic development focus for Parcel 732-A and believed all along that the project was not intended to be an affordable housing project, but an economic

development project that would help revitalize the Western Addition and to compliment the residential neighborhood.

Commissioner Yee asked for an explanation of how the development density was calculated because of the difference in Mr. Johnson's calculation of a 20% variance versus staff's calculation of a 41% variance.

Executive Director Rosen clarified that staff's calculation of the square footage was based upon a merger of parcels 732-A and 725-C taken together plus a 10% density variance.

Architectural Supervisor Ed Ong explained to the Commission that there were different methods in the calculation of the housing component and the commercial/office component. The commercial/office space density was calculated using the floor area ratio with the lot area and the housing component was calculated using what was called an Agency room count pursuant to the redevelopment plan.

Commissioner Yee asked staff how it came up with the \$20,000 amount of non-refundable deposit from the developer.

Mr. Ricky Tijani of the Agency's Development and Real Estate division responded that the rationale for the \$20,000 non-refundable deposit represented the equivalent of income lost from tying down the property during the exclusive negotiations period and the amount of the deposit was based upon the value of the land.

Commissioner Dunlop remade his earlier motion to continue the matter for two weeks, to the Commission meeting of January 28th to allow staff and Mr. Johnson to resume negotiations on the issues that were raised. Mr. Dunlop observed that the parties did not seem to be too far apart in the negotiations and the additional time would hopefully bring fruitful results.

Commissioner Romero thanked Commissioner Palamountain for her earlier questions as they were informative and educational. Mr. Romero asked for clarification on the developer fee issue, specifically on the concept that the fee was based upon the amount of developer's equity contribution, where the modest equity amount proposed resulted in a fairly small developer fee of 3.7 percent.

Ms. Sakai explained that the recommended developer fee of 3.7 percent was based upon comparisons with other similar Agency mixed-use development projects, which consistently ranged between three to five percent. The variable on the developer fee had been on the backend of the profits from the development and the manner in which the transactions were structured.

Commissioner Romero stated that he understood a little more about the developer fee, but was not persuaded by either figures from staff and the developer because 732-A was a unique development project given its long history and felt that it could not be compared with the more traditional developments. Mr. Romero requested additional data on the developer fee comparisons and seconded Commissioner Dunlop's motion for a two-week continuance.

Commissioner King stated that staff should not compare 732-A with developments like the Forest City project because that was a big and well-established developer with a lot of financial resources. Mr. King reminded staff that the Agency had previously provided millions of dollars of subsidies to the Jewish and Mexican museums in Yerba Buena Center and urged staff to think creatively in its negotiations with Fillmore Development Associates.

Executive Director Rosen stated that the negotiating points seemed to have been narrowed by the Commission's deliberations and asked for the Commission's direction with regard to the percentage of below-market-rate units to be provided at 15 percent.

Commissioner Dunlop stated that he thought that the Commission's directions on all of the issues including the 15 percent below-market-rate units were clear and expected staff to come back in two weeks with a progress report, and that it was not necessary to formalize the Commission's directions.

Commissioner Singh stated that he also supported the two-week continuance and asked staff to negotiate a reasonable developer fee with Mr. Johnson.

Commissioner King stated that the Commission should provide specific directions to staff on proceeding with the negotiations and that he thought that the discussion was helpful to move the process forward and looked forward to a report back in two weeks.

Commissioner Yee stated that he agreed with the Executive Director's suggestion to obtain specific directions from the Commission so that staff was clear on how to proceed with the negotiations. Mr. Yee lent his support for the two-week continuance.

Commissioner Palamountain stated that her intention with her questions was to elicit specific areas of disagreement between staff and the developer and that she thought it would be helpful to set out those areas or issues where the Commission needed to get involved and provide specific direction to staff.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 4-2003, AUTHORIZING A FIRST AMENDED EXCLUSIVE NEGOTIATIONS AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO EXTEND THE FIRST BENCHMARK DATE FOR THE APPROVAL OF THE BASIC CONCEPT DESIGN AND CLARIFY CERTAIN TERMS AND CONDITIONS FOR THE PROPOSED MIXED-USE PROJECT AT PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2 IS CONTINUED TO THE COMMISSION MEETING OF JANUARY 28, 2003.

4 (g) Resolution No. 5-2003, Public Hearing and Adoption of the Five-Year Implementation Plan for the Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff)

Commissioner King shared that he attended the community meeting and commended Don Capobres for doing an excellent job. Mr. King put forth a motion to adopt item 4 (g). Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. DUNLOP, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 5-2003, ADOPTION OF THE FIVE-YEAR IMPLEMENTATION PLAN FOR THE HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (h) Resolution No. 6-2003, Awarding Contract RPSB 002-002 and Authorizing the Execution of a construction contract with Power Engineering Contractors, Inc., in an amount not to exceed \$110,323.50 for South Beach Harbor "A" dock repairs; Rincon Point-South Beach Redevelopment Project Area

Presenters: James Nybakken, Kevin Masuda (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 6-2003, AWARDING CONTRACT RPSB 002-002 AND AUTHORIZING THE EXECUTION OF A CONSTRUCTION CONTRACT WITH POWER ENGINEERING CONTRACTORS, INC., IN AN AMOUNT NOT TO EXCEED \$110,323.50 FOR SOUTH BEACH HARBOR "A" DOCK REPAIRS; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. **REPORT OF THE PRESIDENT**

- President Sexton informed the Commission and the public that the Board of Supervisors had decided to move its weekly meeting day from Monday to Tuesday afternoons coinciding with the Commission's weekly meetings, and newly elected Board President Matt Gonzalez had called the Commissioners requesting the Commission to consider moving its meeting day. President Sexton asked the Commissioners to inform the Commission Secretary of the days that they cannot meet and their preferred day for a new meeting day.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen congratulated newly elected Commission President Michelle Sexton and Vice-President Ramon Romero and looked forward to working with them in 2003. Ms. Rosen commended former Vice-President Kathryn Palamountain for her exemplary service and thanked her for her guidance and support during her first year as Executive Director.
- Informed the Commission and the public that former Agency General Counsel Leo Borregard passed away over the holidays and although he did not reside in the Bay Area, there was a planned memorial service in San Francisco and she would inform the Commission of the date.
- Board of Supervisors' unanimous approval of the public financing for the Jessie Square garage at its meeting of January 13, 2003. The transfer of development rights from the adjoining proposed Jewish Museum parcel was scheduled on January 23, 2003 before the Transportation and Commerce Committee of the Board of Supervisors.
- Board of Supervisors Finance Committee meeting on January 29, 2003 to hear the matter regarding the transfer of the MUNI substation to the Agency.
- Press release regarding Forest City's decision (at the request of the Mayor) to remove the hotel component from its proposed development

at the former Emporium site, which meant that Forest City would not need the tax increment loan that was approved by the Commission. The approval of the revised design without the hotel would come before the Commission in the near future. The construction was scheduled to commence later in 2003.

- In celebration of Martin Luther King, Jr.'s birthday, a Youth and Family Day was scheduled for Saturday, June 18th from noon to 6:00 p.m. at the Yerba Buena Gardens.
- Martin Luther King, Jr. evening celebration at the African-American Cultural complex at 762 Fulton Street in the Western Addition.

9. COMMISSIONERS QUESTIONS AND MATTERS None.

10. CLOSED SESSION:

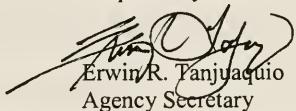
This matter was continued to the Commission meeting of January 21, 2003.

(a) Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Assessor Block 3740, Lot No. 27, located mid-block on Main and Spear Streets between Howard and Folsom Streets within the Transbay Redevelopment Survey Area and the party with whom the Agency may negotiate is the City and County of San Francisco. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, and Tracie Reynolds.

11. ADJOURNMENT

It was moved by Mr. Romero, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:55 p.m.

Respectfully submitted,



Erwin R. Panjuaquejo
Agency Secretary

APPROVED:

February 11, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF JANUARY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 21st day of January 2003, at the place and date duly established for holding of such a meeting.

President Michelle Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop (arrived at 4:26 p.m., departed at 6:23 p.m.)
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee (arrived at 4:16 p.m.)

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

DOCUMENTS DEPT.

4. MATTERS OF NEW BUSINESS:

SEP 13 2007

CONSENT AGENDA

SAN FRANCISCO
PUBLIC LIBRARY

4 (a) Resolution No. 7-2003, Authorizing Execution of an Equipment Lease with Toshiba of America, Inc. for three copiers in a total amount not to exceed \$23,000 per year for the three-year term

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT THE CONSENT AGENDA ITEM 4 (a) RESOLUTION NO. 7-2003, AUTHORIZING EXECUTION OF AN EQUIPMENT LEASE WITH TOSHIBA OF AMERICA, INC. FOR THREE COPIERS IN A TOTAL AMOUNT NOT TO EXCEED \$23,000 PER YEAR FOR THE THREE-YEAR TERM, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 8-2003, Conditionally Approving the Amended Combined Basic Concept and Schematic Design for Block N3, Parcel 1 in Mission Bay North pursuant to an Owner Participation Agreement with Catellus Development Corporation, a Delaware corporation; Mission Bay North Redevelopment Project Area

Presenters: Tiffany Bohee, Amy Neches (Agency staff) Mia Duffy (architect)

Commissioner Palamountain put forth a motion to adopt item 4 (b) and asked how residents would access the bicycle parking on the second level. Ms. Palamountain also asked if the proposed spa was accessible by all of the residents. Ms. Palamountain stated that she supported staff's efforts to build larger units as well as the design treatment of the corner windows with metal posts so as not to have a flat wall. Ms. Palamountain reiterated her support for the project.

Ms. Tiffany Bohee responded that residents would have elevator access to the bicycle parking on the second floor and that all of the residents would also have access to the spa on the fourth level.

Commissioner Singh asked why there were fewer parking spaces for the number of housing units and asked how the parking spaces would be allocated to the residents. Mr. Singh stated that he would have liked to see more parking spaces.

Ms. Bohee responded that a one to one parking was not required because of the project's location and good access to public transit. Ms. Bohee stated that the parking spaces would be allocated on a first come, first serve basis and fees would be charged for the parking spaces.

President Sexton asked how the parking fees would be applied to low and moderate-income residents.

Ms. Bohee responded that the parking fees would be the same for all of the residents.

Commissioner Romero lent his support for the project and seconded Commissioner Palamountain's motion.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT), THAT ITEM 4 (b) RESOLUTION NO. 8-2003, CONDITIONALLY APPROVING THE AMENDED COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR BLOCK N3, PARCEL 1 IN MISSION BAY NORTH PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (c) Resolution No. 9-2003, Adopting Environmental Findings pursuant to the California Environmental Quality Act and Conditionally Approving the Overall Development Plan and Schematic Design for Parcel X4 located at 499 Illinois Street in Mission Bay South pursuant to an Owner Participation Agreement with Esprit de Corp., a California Corporation; Mission Bay South Redevelopment Project Area

Presenters: Amy Nechoes (Agency staff), John Pickard (architect), Andrea Cochran (landscape architect)

Commissioner Singh asked what the total project cost was and the contract amounts for each of the consultants.

Ms. Amy Nechoes responded that there was not a firm development cost yet, but the project was estimated to cost about \$45 million. Ms. Nechoes stated that the design consultant contacts amounted to \$2 million and a substantial amount was allocated to minority and women-owned business enterprises.

Mr. Romulus Asenloo of the Agency's Contract Compliance Division, provided the Commission with the following breakdown of contract amounts: (1) Landscape Architect, \$170,000, (2) Civil Engineering (MBE), \$560,000, (3) Mechanical Engineering, \$560,000, and (4) Structural Engineering, 537,000.

Commissioner Dunlop put forth a motion to adopt item 4 (c) and inquired about the storm water pollution control program and the green sod at the front of the building (on the drawings).

Ms. Nechoes responded that the storm water pollution control program was part of the mitigation measures to prevent water runoff into streets and sewers during the construction period. Ms. Nechoes added that there were separate sewage and water runoff systems in Mission Bay. Ms. Nechoes

explained that the horizontal greed sod depicted on the architectural drawings was a landscaping treatment for the top of the underground garage with stairs on the side.

Commissioner Palamountain seconded Commissioner Dunlop's motion and thanked ECOR for the wonderful project.

Commissioner Yee stated that it was a beautiful project and lent his enthusiastic support, and was pleased to see that the consultants met the Agency's Equal Employment Opportunity program. Mr. Yee asked what guidelines were used to establish the number of bicycle parking spaces and if additional spaces could be added without too much difficulty.

Ms. Neches responded that the bicycle parking requirements were established in the Mission Bay redevelopment plan and design for development at one bicycle parking space for every 20 automobile space. Ms. Neches informed the Commission that staff had worked with the Bicycle Coalition and that it would be easy to add bicycle parking spaces if necessary.

Commissioner King lent his support for the project and stated that he liked the diversity of the consultants.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 9-2003, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND CONDITIONALLY APPROVING THE OVERALL DEVELOPMENT PLAN AND SCHEMATIC DESIGN FOR PARCEL X4 LOCATED AT 499 ILLINOIS STREET IN MISSION BAY SOUTH PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH ESPRIT DE CORP., A CALIFORNIA CORPORATION; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (d) Resolution No. 10-2003, Approving a Personal Services Contract with Skidmore Owings & Merrill LLP for an amount not to exceed \$500,000 to Prepare a Design for Development Document for the Proposed Transbay Redevelopment Project Area; Transbay Redevelopment Survey Area

Presenters: David Habert (Agency staff), John Cricken (Skidmore Owings & Merrill)

Public: Mary Helen Rogers

Commissioner Dunlop thanked Mr. David Habert for his presentation and asked if the current State and City budget crisis would have a negative impact on the project's schedule, in particular the scheduled plan adoption date of Fall 2003.

Ms. Maria Ayerdi of the Mayor's Office, stated that the Mayor's Office and Agency staff believed that the plan adoption schedule was realistic and was scheduled for Fall 2003.

Commissioner Palamountain recalled that there was a lot of public comment on the Transbay Environmental Impact Report hearing and urged staff and the consultants to take into account the public comment that was provided. Ms. Palamountain asked if the Transbay Citizens' Advisory Committee sponsored public events would include the general public and if that was a part of the outreach plan. Ms. Palamountain stated that she shared Commissioner Dunlop's concerns with the aggressive plan adoption schedule in light of the budget crisis and that it was important for staff to be up front with the community about a realistic schedule.

Mr. David Habert responded that all of the public events would include not only the CAC, but the broader community and beyond. Mr. Habert added that Mr. Al Williams of the consultant team was assigned specifically to work on the outreach plan and stated that because Transbay was a regional project, it would naturally have the maximum public exposure possible.

Commissioner King inquired about the consultant team's affirmative action program and minority and women-business enterprise participation.

Mr. Chris Iglesias, Contract Compliance Manager, informed the Commission that Skidmore Owings and Merrill had met the Agency's equal employment opportunity goals and that it had a diverse workforce and that four of the eight firms were either minority or women-owned business enterprises.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 10-2003, APPROVING A PERSONAL SERVICES CONTRACT WITH SKIDMORE OWINGS & MERRILL LLP FOR AN AMOUNT NOT TO EXCEED \$500,000 TO PREPARE A DESIGN FOR DEVELOPMENT DOCUMENT FOR THE PROPOSED TRANSBAY REDEVELOPMENT PROJECT AREA; TRANSBAY REDEVELOPMENT SURVEY AREA, BE ADOPTED.

4 (e) Resolution No. 11-2003, Authorizing a Letter Agreement with the Department of Public Works of the City and County of San Francisco in an amount not to exceed \$180,000, subject to annual appropriations for the Agency's share of the local matching funds for the proposed South Basin Bridge Project; Hunters Point Shipyard Project Area and Bayview Hunters Point Redevelopment Survey Area

Presenters: Don Capobres (Agency staff)

Commissioner Dunlop thanked Mr. Don Capobres for his presentation and asked if the Agency could redirect the Federal funds as it saw fit.

Mr. Don Capobres responded that the full amount of the Federal funds was obligated for the first phase of planning and environmental review, and if the Agency and City were ready to move into engineering design and ultimately construction, it could divert the unused funds for those phases of the work.

Commissioner Dunlop referred to a letter from the Mayor regarding the establishment of a separate development authority for the Hunters Point Shipyard similar to the Treasure Island Development Authority and asked what the process was.

Executive Director Marcia Rosen informed the Commission that there was not yet proposed legislation to enact the Mayor's proposal for the Hunters Point Shipyard, but that under such circumstances, the new development or reuse authority would be a successor in interest to the Agency and would assume all legal responsibilities as well as all assets and liabilities connected to the Shipyard.

Commissioner Dunlop put forth a motion to adopt item 4 (e). Commissioner Singh seconded Commissioner Dunlop's motion.

Commissioner Palamountain confirmed that by adopting Resolution No. 11-2003, the Commission was only authorizing \$180,000 and not the rest of the \$2.1 million cost. Ms. Palamountain expressed concerns that the proposed roadway would negatively impact the low-income neighborhood in Hunters Point and urged staff to work closely with the community.

Mr. Capobres affirmed that the Commission was only authorizing \$180,000 for environmental and design work and that other City departments were also looking for local matching dollars to the Federal funds.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 11-2003, AUTHORIZING A LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS OF THE CITY AND COUNTY OF SAN FRANCISCO IN AN AMOUNT NOT TO EXCEED \$180,000, SUBJECT TO ANNUAL APPROPRIATIONS FOR THE AGENCY'S SHARE OF THE LOCAL MATCHING FUNDS FOR THE PROPOSED SOUTH BASIN BRIDGE PROJECT; HUNTERS POINT SHIPYARD PROJECT AREA AND BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**
 - Mary Helen Rogers, Randy Burgo, Joe O'Donoghue, Todd Lewis, Stephen Wong
7. **REPORT OF THE PRESIDENT** None
8. **REPORT OF THE EXECUTIVE DIRECTOR**
 - Community meetings sponsored by the Department of Public Works, Transportation Authority and Mayor's Office regarding the Octavia Boulevard Replacement Project (Central Freeway) on February 6th from 6:00 to 8:00 p.m. at the First Baptist Church at 7 Octavia Boulevard at Waller Street, and on February 13th from 6:00 to 8:00 p.m. at the Department of Social Services building at 170 Otis Street.
 - Rincon Park grand opening ceremony on February 13th at 11:30 a.m.
 - Board of Supervisors' Transportation and Commerce Committee meeting on January 23rd regarding the TDR legislation for the Jessie Square project.
 - Board of Supervisors Finance Committee meeting on January 29, 2003 to hear the matter regarding the transfer of the MUNI substation to the Agency.
 - Meetings with State legislators and the California Redevelopment Association in Sacramento on January 22nd and 23rd regarding the proposed budget threats to redevelopment agency funding statewide. Will report back to the Commission.
 - Informed the Commission that staff and Fillmore Development Associates had not yet reached resolution on the negotiations for Parcel 732-A and suggested that the continued matter scheduled for January 28th be further continued to the Commission meeting of February 11th. A closed session update of the negotiations would be scheduled for January 28th to get further directions from the Commission.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Romero requested staff to report back to the Commission regarding public testimony about Mr. Randy Burgo's M/WBE certification.
- Commissioner Romero stated that although the Commission would like forward progress on Parcel 732-A, it was important to take the time necessary to complete successful negotiations with the developer and as long as the parties are communicating, he would support the additional time. Mr. Romero put forth a motion to continue the 732-A matter to the Commission meeting of February 11th with a closed session item on January 28th to update the Commission on the negotiations.
- Commissioner Dunlop seconded Commissioner Romero's motion.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-2003, AUTHORIZING A FIRST AMENDED EXCLUSIVE NEGOTIATIONS AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO EXTEND THE FIRST BENCHMARK DATE FOR THE APPROVAL OF THE BASIC CONCEPT DESIGN AND CLARIFY CERTAIN TERMS AND CONDITIONS FOR THE PROPOSED MIXED-USE PROJECT AT PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE FURTHER CONTINUED TO THE COMMISSION MEETING OF FEBRUARY 11, 2003, AND THAT A CLOSED SESSION ITEM ON THE SAME MATTER BE SCHEDULED FOR THE COMMISSION MEETING OF JANUARY 28, 2003.

- Commissioner Dunlop asked for a response to Mary Rogers' questions about the delay on the Fillmore Street Bridge artwork.

Executive Director Rosen reported that there had been some delay with the artist's work on a redesign of the artwork structure requested by the artist and staff was actively involved with the project and would provide a report to the Commission.

- Commissioner Dunlop asked if it would be appropriate to have the artist come before the Commission to provide a status report.

Executive Director Rosen informed the Commission that the contract was between the artist and the Arts Commission, but would look into the matter and report back to the Commission.

- Commissioner Dunlop inquired about the newspaper articles regarding funding issues with the Jewish Museum and requested an update on the State budget deficit's impact on Agency projects and suggested working with Commissioners to help with advocacy and networking efforts with the State legislature.

Executive Director Rosen informed the Commission that the Magnes Museum was still in compliance with the performance schedule authorized by the Commission and staff had not received any request to modify the agreement. Ms. Rosen stated that she would provide an update on the State budget deficit's impact on Agency projects as soon as more information was gathered and would be presented to the Commission concurrent with the Agency's budget process coming in February. Ms. Rosen stated that she would report back to the Commission on engaging the Commissioners help with advocacy and support for the Agency's important work.

- Commissioner Dunlop urged staff to be responsive to requests for information from the public.
- Commissioner Dunlop referred to the Board of Supervisors' request to move the Commission meeting day from Tuesday to Monday and stated that although he represented the Agency Commission on the AIDS Care Council, which met one Monday a month, he would prefer to change the Commission's meeting day to Monday.
- Commissioner King asked for a response to Mr. Joe O'Donoghue's question regarding the meeting that was scheduled for the Scott Street project.

Executive Director Rosen stated that she was not aware of any commitment made by staff for a specific date for the community meeting, except that the meeting would be held at the end of January. The notice for the scheduled meeting of January 23rd was sent to over 800 people including Agency certificate holders as the Commission had directed.

- Commissioner King shared that he asked Mr. Randy Burgo to come to the meeting and asked staff to work with Mr. Burgo's certification and report back to the Commission.

10. CLOSED SESSION:

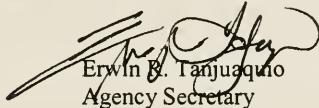
This matter was continued from the Commission meeting of January 14, 2003.

(a) Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Assessor Block 3740, Lot No. 27, located mid-block on Main and Spear Streets between Howard and Folsom Streets within the Transbay Redevelopment Survey Area and the party with whom the Agency may negotiate is the City and County of San Francisco. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, and Tracie Reynolds.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Erwin B. Tanjuaqio
Agency Secretary

APPROVED:

February 18, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF JANUARY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 28th day of January 2003, at the place and date duly established for holding of such a meeting.

President Michelle Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop (departed at 6:28 p.m.)
Leroy King
Kathryn C. Palamountain
Darshan Singh (arrived at 4:09 p.m.)
Benny Y. Yee (departed at 6:30 p.m.)

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

DOCUMENTS DEPT

SEP 13 2007

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

SAN FRANCISCO
PUBLIC LIBRARY

4 (a) Resolution No. 12-2003, Authorizing a Third Amendment to the Personal Services Contract with McCoy's Patrol Service, a California corporation, to extend the contract term for one month and to increase the total compensation in an amount of \$5,000 for an aggregate contract amount not to exceed \$215,000 for security guard services at South Beach Harbor; Rincon Point-South Beach Redevelopment Project Area

4 (b) Resolution No. 13-2003, Authorizing application for and acceptance of a grant from the California Department of Boating and Waterways in an amount not to exceed \$39,000 for marine sewage pump out stations at South Beach Harbor, Rincon Point-South Beach Redevelopment Project Area

Commissioner Yee requested that Consent Agenda item 4 (a) be withdrawn.

The Commission voted on the remaining item on the Consent Agenda, item 4 (b).

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT THE CONSENT AGENDA ITEM 4 (b) RESOLUTION NO. 13-2003, AUTHORIZING APPLICATION FOR AND ACCEPTANCE OF A GRANT FROM THE CALIFORNIA DEPARTMENT OF BOATING AND WATERWAYS IN AN AMOUNT NOT TO EXCEED \$39,000 FOR MARINE SEWAGE PUMP OUT STATIONS AT SOUTH BEACH HARBOR, RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Commissioner Yee asked what the reason was for the one-month extension of McCoy's Patrol Service's contract.

Executive Director Marcia Rosen responded that the one-month extension would allow time for staff to evaluate responses to the Request for Proposals for a new contract pursuant to the Agency's Purchasing policy.

Commissioner Yee put forth a motion to adopt item 4 (a). Commissioner King seconded the motion.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (a) RESOLUTION NO. 12-2003, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM FOR ONE MONTH AND TO INCREASE THE TOTAL COMPENSATION IN AN AMOUNT OF \$5,000 FOR AN AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$215,000 FOR SECURITY GUARD SERVICES AT SOUTH BEACH HARBOR; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

4 (c) Resolution No. 14-2003, Authorizing the Redevelopment Agency of the City and County of San Francisco to Enter into loan agreements with the San Francisco Redevelopment Financing Authority in the combined aggregate principal amount not to exceed \$144,600,000 relating to the issuance of three series of tax allocation revenue bonds by the City and County of San Francisco Redevelopment Financing Authority, Approving the official statements and bond purchase contracts relating to the bonds, and Authorizing and Approving other matters properly relating thereto

Presenters: Ayisha Benham (Agency staff)

Speakers: Mary Helen Rogers

Commissioner Romero put forth a motion to adopt item 4 (c).

President Sexton asked what the intended use of the bond sales proceeds was.

Ms. Ayisha Benham, Deputy Executive Director for Finance and Administration, responded that the bond sales proceeds were to be used for all of the programmed redevelopment activities within all of the redevelopment project areas and added that \$43 million of the total amount was for the Jessie Square garage project.

Commissioner Dunlop stated that he understood the bond issuances were to fund the Agency's programmed activities detailed in the 2001/2002 and 2002/2003 budgets.

Executive Director Rosen affirmed that the bond issuances were in accordance with the authority given by the Commission and approved by the Board of Supervisors for the Agency's two previous budget years.

Commissioner King pointed out that it was not the Commission's practice to respond to questions raised by members of the public during public comment, but may direct staff to provide information to all public inquiries. Mr. King stated that he was pleased to see the diversity of the consultants and lent his support for the item.

Commissioner Singh asked for a list of projects to be funded by the bond sales proceeds. Mr. Singh also asked what the bonds' interest rates were and who the underwriters were.

Executive Director Rosen responded that the bond sales proceeds would fund the projects identified in the Agency's approved budgets for 2002/2003 as well as 2001/2002. Ms. Rosen stated that \$43.1 million would be spent for the Jessie Square garage and that proceeds from the sale of transferable development rights from historic properties in the amount of \$4.5 million would pay for the public space improvements and foundation work for the Mexican and Jewish museums and construction for the 450-space parking garage. The revenue from the parking garage would help pay for the debt service of the bonds.

Mr. Mario Menchini, Senior Financial Analyst, responded that staff anticipated that the sale of the bonds would yield a little below four percent for the tax-exempt bonds and above five percent for the taxable bonds. Mr. Menchini informed the Commission that there were four underwriters, E. J. Delarosa, Bank of America, Jackson Securities and Ramirez and Company.

Commissioner Dunlop recalled newspaper articles, which reported that the Magnes Museum was having difficulty with its fund-raising efforts and asked if that would affect the Agency proceeding with the Jessie Square garage project. Mr. Dunlop asked what would happen if the Agency's anticipated tax increment revenue was not realized.

Executive Director Rosen responded that staff expected the Jessie Square garage project to proceed as planned, which included the substructure for what would be built for the Magnes Museum. Ms. Rosen explained that prudent debt ratios had been included in the financial analysis for the sale of the bonds and there would be adequate tax increment funds to cover the anticipated work program approved in the Agency's budget.

Commissioner Yee asked if staff anticipated delays in the Magnes Museum project given the reported difficulty in its fund-raising efforts. Mr. Yee also asked if the Agency's projects would be affected by delays with the Magnes Museum project.

Executive Director Rosen responded that the Magnes Museum was currently in compliance with the schedule of performance approved by the Commission and should there be a requested change in the schedule of performance, an amendment to the DDA would come before the Commission for its consideration. Ms. Rosen stated that staff believed that the Agency's public space improvements would proceed even if there was a delay with the Magnes Museum project.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (c) RESOLUTION NO. 14-2003, AUTHORIZING THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ENTER INTO LOAN AGREEMENTS WITH THE SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY IN THE COMBINED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$144,600,000 RELATING TO THE ISSUANCE OF THREE SERIES OF TAX ALLOCATION REVENUE BONDS BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY, APPROVING THE OFFICIAL STATEMENTS AND BOND PURCHASE CONTRACTS RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO, BE ADOPTED.

4 (d) Resolution No. 15-2003, Approving a Waiver of the Agency's Conflict of Interest policy for Conley Consulting Group, a sole proprietorship, to provide economic and financial analysis services to Fillmore Development Associates, LLC, in connection with the exclusive negotiations for the disposition and development of Agency parcel 732-A; Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency staff)

Commissioner Yee asked if the Agency's General Counsel was consulted about the proposed waiver because he recalled that the Commission had previously denied a similar waiver for a former employee and that there was a time prohibition before a former employee could work on Agency matters.

Executive Director Rosen stated that Commissioner Yee was referring to another prohibition in the Agency's personnel policy, which did not allow former employees to work for others on Agency matters for two years from the date of separation without a Commission approved waiver. Ms. Rosen explained that the matter before the Commission was a different situation because the person for whom the waiver was being sought was a consultant and not a former employee of the Agency, and such provision came under the Agency's personnel policy.

Commissioner Palamountain verified that Conley Consulting Group had not worked for the Agency on Parcel 732-A. Ms. Palamountain asked if consultants were notified of such conflict of interest provisions in the personnel policy, so that consultants were not caught unaware and had to obtain a waiver from the Commission.

Mr. Ricky Tijani, Senior Development Specialist, informed the Commission that Conley Consulting Group was not working for the Agency on Parcel 732-A. Mr. Tijani stated that consultant contracts contained references to general Agency policies but was uncertain if the specific conflict of interest policy was included.

Executive Director Rosen stated that staff would research the matter and report back to the Commission.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 15-2003, APPROVING A WAIVER OF THE AGENCY'S CONFLICT OF INTEREST POLICY FOR CONLEY CONSULTING GROUP, A SOLE PROPRIETORSHIP, TO PROVIDE ECONOMIC AND FINANCIAL ANALYSIS SERVICES TO FILLMORE DEVELOPMENT ASSOCIATES, LLC, IN CONNECTION WITH THE EXCLUSIVE NEGOTIATIONS FOR THE DISPOSITION AND DEVELOPMENT OF AGENCY PARCEL 732-A; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

**At 4:28 p.m., the Commission recessed to consider items on the
Financing Authority Agenda**

The Redevelopment Financing Authority of the City and County of San Francisco met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:29 p.m. on the 28th day of January 2003, at the place and date duly established for holding of such a meeting.

1. Election of Officers:

MR. DUNLOP NOMINATED MICHELLE W. SEXTON FOR THE OFFICE OF BOARD PRESIDENT. MR. SINGH SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT MICHELLE W. SEXTON AS BOARD PRESIDENT.

MR. DUNLOP NOMINATED RAMON E. ROMERO FOR THE OFFICE OF BOARD VICE-PRESIDENT. MR. SINGH SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT RAMON E. ROMERO AS BOARD VICE-PRESIDENT.

MR. SINGH NOMINATED ERWIN R. TANJUAQUIO FOR THE OFFICE OF BOARD SECRETARY. MR. DUNLOP SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT ERWIN R. TANJUAQUIO AS BOARD SECRETARY.

2. Resolution No. 1-2003, Authorizing the Issuance by the City and County of San Francisco Redevelopment Financing Authority of three series of tax allocation revenue bonds, in the combined aggregate principal amount not to exceed \$144,600,000, Approving forms of indentures of trust, loan agreements, bond purchase contracts and official statements, Authorizing the loan agreement with the Redevelopment Agency of the City and County of San Francisco, Authorizing the sale of the bonds, and Authorizing and Approving other matters properly relating thereto

Presenters: Mario Menchini (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 2, RESOLUTION NO. 1-2003, AUTHORIZING THE ISSUANCE BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY OF THREE SERIES OF TAX ALLOCATION REVENUE BONDS, IN THE COMBINED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$144,600,000, APPROVING FORMS OF INDENTURES OF TRUST, LOAN AGREEMENTS, BOND PURCHASE CONTRACTS AND OFFICIAL STATEMENTS, AUTHORIZING THE LOAN AGREEMENT WITH THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, AUTHORIZING THE SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO, BE ADOPTED.

3. Adjournment

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the Financing Authority meeting be adjourned. The meeting adjourned at 4:39 p.m.

The Commission reconvened at 4:40 p.m. to consider the remaining Agenda

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**
 - Mary Helen Rogers

7. REPORT OF THE PRESIDENT

- PIDC board meeting held on January 27th, where staff provided an update on the progress of the Plaza Hotel project. Ms. Sexton shared the exciting news that over 50% of the tenants have relocation applications submitted and was pleased to see the ongoing progress.
- Introduced Romana Talette, a high school intern who worked with Ms. Sexton at the Oakland City Attorney's office.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Informed the Commission that Mary Rogers had advised that Captain Jim White, former security officer for the Agency, had passed away over the weekend and would obtain details about memorial services.
- January 23rd Board of Supervisors Transportation and Land Use Committee meeting where TDR legislation for the Jessie Square project were unanimously approved and recommended for full Board of Supervisors' approval on February 4th.
- Board of Supervisors Finance Committee meeting on January 29, 2003 to hear the matter regarding the transfer of the MUNI substation to the Agency.
- Informational memorandum regarding the Fillmore Street Bridge artwork project. The letter agreement between the Agency and the Art Commission did not include supervision of the artist's work, which was under a separate contract between the Art Commission and the artist. A revised schedule for the completion of the artwork was included in the memorandum.
- Informational memorandum regarding the Allied Concrete certification matter.
- Update on the Governor's budget proposal: Testified at the joint meeting of the Local Government and Housing and Community Development Committees of the State Senate on January 23rd regarding proposed budget cuts for redevelopment agencies in California. Committee meeting was an informational meeting to hear staff report on recommendations regarding changes in redevelopment law. Staff recommendations were not yet introduced to the legislature and did not have sponsorship. The Governor's initial proposal to transfer all unencumbered tax increment monies deposited in the low- and

moderate-income housing fund for the current fiscal year was not included in the Senate and Assembly budget committee recommendations to the Legislature. Ms. Rosen reported that she had ongoing consultations with Assemblymen Mark Leno and Leland Yee's office as well as Senator John Burton's office on the budget implications on the Agency.

- Informational memorandum regarding preservation of affordable housing units at the Univista Apartments, where there might be a need to have a closed session meeting regarding the matter sooner than the next scheduled Commission meeting on February 11th. The Commission Secretary would advise the Commission and coordinate the closed session meeting.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Dunlop stated that he was stunned to hear about Captain White's passing and shared that Captain White was an important part of the Agency and was a valued colleague of the Commissioners. Mr. Dunlop suggested that condolences be sent to Captain White's family on behalf of the Commission.
- Commissioner Dunlop stated that he was surprised to hear that the Commission was not responsive to questions raised by members of the public because he recalled asking staff to respond to questions raised at the previous Commission meeting.
- Commissioner Dunlop thanked the Executive Director for the budget crisis update and urged to call on Commissioners who know the Governor and members of the State Legislature to help alleviate the impacts on the Agency's budget.
- Commissioner Palamountain inquired about the Fillmore Street Bridge artwork project and asked if the artist had approved the materials for the artwork and if the Commission had to approve the materials selected. Ms. Palamountain stated that she was very concerned with the delay of the project and suggested that the anti-graffiti work commence soon after the scheduled installation of the artwork in early April.

Executive Director Rosen responded that the artist's architect had approved the materials for the artwork and fabrication was scheduled to begin. Ms. Rosen stated that the extension of the letter agreement with the Art Commission would be scheduled for the Commission's approval.

- Commissioner Palamountain thanked the Executive Director and staff for their tremendous advocacy work at the State budget process and commended staff for its hard work.
- Commissioner Singh stated that he was shocked to hear about the passing of Captain White and agreed with Commissioner Dunlop's suggestion to send condolences from the Commission. Mr. Singh asked which State legislators staff was working with and if staff had spoken with Senator John Burton.

Executive Director Rosen informed the Commission that staff was working with Assemblyman Leland Yee who was a member of the budget subcommittee as well as Senator Tom Torlakson, Chair of the Senate Local Government Committee and Senator Denise Moreno Ducheny, Chair of the Senate Housing and Community Development Committee. Ms. Rosen stated that she was in regular telephone contact with Senator John Burton's office.

- Commissioner Yee echoed the Commissioners' sentiments about Captain White and stated that he would be missed by the Agency.
- Commissioner Yee suggested that the President ask for additional public speakers following the call of speaker cards as a matter of courtesy to the public.
- Commissioner Yee inquired about the RFP modification for the South of Market and asked for an update of the plan amendment work.

Executive Director Rosen informed the Commission that staff continued to work with the South of Market PAC and the plan amendment was scheduled to be heard by the full PAC soon and the process was proceeding ahead and would come before the Commission in the near future.

- Commissioner Yee shared that he received two letters from the public regarding the change of the Commission meeting days from Tuesday to Monday, and clarified that the request for the change came from the Board of Supervisors and not him personally.
- Commissioner Romero shared his personal condolences for Captain White and urged the Agency to the appropriate thing to acknowledge his passing. Mr. Romero thanked staff for the informational memorandum regarding the Allied Concrete M/WBE certification.
- Commissioner Singh asked if a decision had been made about changing the Commission meeting from Tuesday to Monday.

- President Sexton stated that there had been an indication from Commissioners that Monday was a preferred day and the matter was scheduled for the February 11th Commission meeting for discussion.
- Commissioner King stated that the Board of Supervisors passed a resolution urging the Commission to move its meeting day from Tuesday to Monday, but that the Commission was not bound to move its meeting day. Mr. King stated that he had Labor Council meetings on Monday and was not available and that he was not certain if KPOO could broadcast the Commission meetings on Monday.
- Commissioner Romero pointed out that the discussion did not have the benefit of public comment and the matter should be calendared and discussed at that time.
- Commissioner Yee stated that the matter should not be an action item because it dealt with the Commissioners' schedules and all that was needed was a consensus among the Commissioners to move the meeting day.

Executive Director Rosen explained that the Agency's bylaws established the Commission meeting day and if the Commission were to change the meeting day, it would need to amend the Agency's bylaws and that would be the action item calendared for the Commission's consideration.

- President Sexton stated that the matter was to be calendared for the Commission meeting of February 11th.

10. CLOSED SESSION:

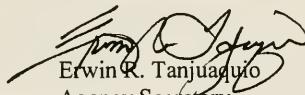
- (a)** Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Agency parcel 732-A located on Fillmore Street, between Ellis and Eddy Streets, Western Addition Redevelopment Project Area A-2 and the party with whom the Agency may negotiate is Fillmore Development Associates. Agency negotiators: Marcia Rosen, Joanne Sakai, Tracie Reynolds, Shirley Wysinger and Ricky Tijani.
- (b)** Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators with respect to price and terms. The property under consideration for rental is a 1,390-square-foot space at West Bay Conference Center on Fillmore Street in the Western Addition Redevelopment Project Area A-2. Agency negotiators: Tracie Reynolds, Shirley Wysinger and Denise Blades.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT CLOSED SESSION ITEM 10 (b) PURSUANT TO GOVERNMENT CODE SECTION 54956.8 TO INSTRUCT THE AGENCY'S REAL PROPERTY NEGOTIATORS WITH RESPECT TO PRICE AND TERMS. THE PROPERTY UNDER CONSIDERATION FOR RENTAL IS A 1,390-SQUARE-FOOT SPACE AT WEST BAY CONFERENCE CENTER ON FILLMORE STREET IN THE WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2. AGENCY NEGOTIATORS: TRACIE REYNOLDS, SHIRLEY WYSINGER AND DENISE BLADES, BE CONTINUED TO THE COMMISSION MEETING OF FEBRUARY 11, 2003.

11. ADJOURNMENT

It was moved by Mr. Romero, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:11 p.m. The Commission meeting of January 28, 2003 was adjourned in memory of Captain Jim White.

Respectfully submitted,



Erwin R. Tanjuaqio
Agency Secretary

APPROVED:

March 11, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF FEBRUARY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 11th day of February 2003, at the place and date duly established for holding of such a meeting.

Acting President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Ramon E. Romero, Vice-President
Mark Dunlop (departed at 6:20 p.m.)
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

SEP 13 2007

Michelle W. Sexton, President

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY. None.**

3. MATTERS OF UNFINISHED BUSINESS:

3 (a) Resolution No. 4-2003, Authorizing a First Amended Exclusive Negotiations Agreement with Fillmore Development Associates, LLC, a California limited liability company, to extend the first benchmark date for the approval of the basic concept design and clarify certain terms and conditions for the proposed mixed-use project at Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets, Western Addition Redevelopment Project Area A-2

Presenters: Shirley Wysinger, Joanne Sakai (Agency staff), Michael Johnson (Fillmore Development Associates)

Commissioner Dunlop put forth a motion to adopt item 3 (a). Mr. Dunlop thanked the Agency's talented staff for its hard work and dedication to moving the negotiations forward and commended Fillmore Development Associates for its eagerness and commitment to proceed with the project.

Commissioner Singh thanked Fillmore Development Associates and staff for the successful negotiations and seconded Commissioner Dunlop's motion.

Commissioner Yee stated that he was pleased to hear the good progress on the project and was happy to see that staff followed his advice to obtain a new appraisal on the property. Mr. Yee asked who the real estate economic consultant was.

Executive Director Marcia Rosen responded that Bay Area Economics had been retained to assist the Agency and Fillmore Development Associates had hired that Conley Consulting Group following the Commission's approval of the waiver of the conflict of interest for Conley Consulting Group.

Commissioner King congratulated staff and Fillmore Development Associates for the successful negotiations. Mr. King acknowledged the presence of Pat Nacey, a former Agency employee and her work on the jazz festival in the Fillmore district.

Commissioner Palamountain asked what the target date was for completing the financial feasibility analysis for the project as she would be paying close attention to that phase of the development process. Ms. Palamountain thanked Fillmore Development Associates for its perseverance and commitment to the project and staff's tremendous hard work and dedication.

Acting President Romero congratulated staff and Fillmore Development Associates on the successful negotiations to date, but cautioned on the reality of "bumps" ahead in the development process. Mr. Romero stated that he looked forward to the project's steady progress.

Commissioner Yee asked how much more square footage there was for the new proposal.

Ms. Joanne Sakai, Deputy Executive Director for Housing and Community Development, responded that the current proposal had 250,000 gross square feet, the same as the original proposal.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 3 (a) RESOLUTION NO. 4-2003, AUTHORIZING A FIRST AMENDED EXCLUSIVE NEGOTIATIONS AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO EXTEND THE FIRST BENCHMARK DATE FOR THE APPROVAL OF THE BASIC CONCEPT DESIGN AND CLARIFY CERTAIN TERMS AND CONDITIONS FOR THE PROPOSED MIXED-USE PROJECT AT PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of January 14, 2003

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF JANUARY 14, 2003, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 16-2003, Authorizing an Amendment to Article III, Section 31 of the Agency's By-Laws to change its regularly scheduled Commission meetings presently held on Tuesdays at 4:00 p.m. of each week

Speakers: Terry Collins, Dorris Vincent

Acting President Romero informed the Commission that President Michelle W. Sexton had requested that the matter be continued to the next meeting so that she could be in attendance.

Commissioner Dunlop put forth a motion to continue the matter for one week to February 18, 2003. Commissioner Palamountain seconded the motion.

Commissioner Yee stated that he was concerned that the Commission meeting was in conflict with the Board of Supervisors meeting now held on Tuesday and KPOO may not be able to broadcast the Commission meeting.

Executive Director Marcia Rosen informed the Commission that KPOO was under contract with the Agency and was bound to broadcast the Commission meeting.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT), THAT ITEM 4 (b) RESOLUTION NO. 16-2003, AUTHORIZING AN AMENDMENT TO ARTICLE III, SECTION 31 OF THE AGENCY'S BY-LAWS TO CHANGE ITS REGULARLY SCHEDULED COMMISSION MEETINGS PRESENTLY HELD ON TUESDAYS AT 4:00 P.M. OF EACH WEEK, BE CONTINUED TO THE COMMISSION MEETING OF FEBRUARY 18, 2003

4 (c) Resolution No. 17-2003, Commending and expressing appreciation to Helen L. Sause for her services on the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Executive Director Marcia Rosen read the commendation resolution for Helen L. Sause and remarked that Helen had been a true role model for women in her career advancement while balancing a rich family life.

Commissioner King thanked Helen Sause for her dedicated services to the Agency and recalled that she was Commission Secretary when he was appointed to the Commission in 1980. Mr. King commended Ms. Sause for her hard work and commitment to Yerba Buena Center. Mr. King put forth a motion to adopt item 4 (c).

Commissioner Palamountain enthusiastically seconded Commissioner King's motion and recognized Ms. Sause's value to the Redevelopment Agency and acknowledged her significant contributions to the City. Ms. Palamountain stated that Ms. Sause was an inspiration and would leave a wonderful legacy of her vision for Yerba Buena Center. Ms. Palamountain commended Ms. Sause for her tenacity and for being a role model for women. Ms. Palamountain expressed her tremendous respect for Ms. Sause and wished her well in her retirement.

Commissioner Dunlop stated that Ms. Sause was one of the most welcoming people on staff and that she deserved all of the adjectives in the resolution, but would add "tough as nails" due to her reputation as a firm negotiator despite her calm facade. Mr. Dunlop stated that it was hard to lose someone who had been such an institution to the City and the Agency and wished her well in her retirement.

Commissioner Singh congratulated Ms. Sause and stated that she was very nice and always had a smiling face. Mr. Singh added that Ms. Sause had become well known in the City and that she would be missed.

Commissioner Yee jested that Commissioner King no longer had the most years with the Redevelopment Agency with Helen Sause's 34 years of service. Mr. Yee remarked that Ms. Sause's dedication to the Agency was admirable and agreed that every adjective in the resolution was well deserved. Mr. Yee stated that Ms. Sause would be missed especially all her talents and skills because she was almost irreplaceable. Mr. Yee congratulated Ms. Sause on her retirement.

Acting President Romero added his well wishes for Helen Sause and commended her devotion to the Agency's mission. Mr. Romero stated that Ms. Sause's long service to the Agency spoke highly of the Agency that someone would serve for 34 years.

Ms. Helen Sause thanked the Commissioners and credited the success in her long tenure with a very talented and hard-working staff.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 17-2003, COMMENDING AND EXPRESSING APPRECIATION TO HELEN L. SAUSE FOR HER SERVICES ON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

4 (d) Resolution No. 18-2003, Authorizing an Agreement for the Sale and Purchase of real estate with the City and County of San Francisco, a municipal corporation, in an amount not to exceed \$900,000, for the acquisition of the MUNI substation site, located at 1140 Fillmore Street/1345 Turk Street; Western Addition Area A-2 Redevelopment Project Area

Presenters: Albert Luis (Agency staff)

Commissioner Singh put forth a motion to adopt item 4 (d)

Commissioner Palamountain seconded Commissioner Singh's motion. Ms. Palamountain verified that the \$1.3 million was the estimate for the retrofitting of the building and asked if staff had an estimate for the preservation of the building. Ms. Palamountain asked when the RFQ would be issued and why the Art Commission needed to review the affordable housing component of the project.

Mr. Albert Luis, Senior Development Specialist, affirmed that the \$1.3 million estimate was for the seismic retrofit of the MUNI substation and there was not an estimate for the overall preservation of the historic building. Executive Director Rosen added that the preservation of the

building would be a part of the development proposal for the entire site and it was premature to have an estimate for the historic preservation of the property because the cost would depend on the overall scope of the proposed development. Mr. Luis stated that the RFQ would be issued within two to three months following acquisition by the Agency. Mr. Luis stated that review by the Art Commission was only for the MUNI substation.

Commissioner Yee stated that the property was a designated historic landmark and opined that it was difficult if not impossible to demolish the property and wondered if the Landmarks Board would give an exemption since affordable housing was proposed to be built on the site.

Executive Director Rosen responded that staff did not contemplate demolition of the historic MUNI substation and because the space in the adjacent vacant lot would accommodate the proposed affordable housing, the project would achieve both Agency goals of providing affordable housing as well as a cultural/ entertainment use in the historic structure that would contribute to the planned jazz uses on Parcel 732-A and provide critical mass for the Fillmore Jazz Preservation District.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 18-2003, AUTHORIZING AN AGREEMENT FOR THE SALE AND PURCHASE OF REAL ESTATE WITH THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, IN AN AMOUNT NOT TO EXCEED \$900,000, FOR THE ACQUISITION OF THE MUNI SUBSTATION SITE, LOCATED AT 1140 FILLMORE STREET/1345 TURK STREET; WESTERN ADDITION AREA A-2 REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (e) Workshop on the proposed Single Room Occupancy Hotel Rehabilitation Loan Program, South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Jeff White (Agency staff)

Speakers: Antoinetta Stadlman, Mark Ellinger, Henry Karnilowicz, John Elberling, Joanna Hagerty, Sam Dodge

Commissioner Dunlop thanked members of the South of Market PAC for their hard work on SRO Hotel Rehabilitation Loan Program and stated that he was glad to see that Agency staff and the PAC had successfully negotiated the earlier differences between the PAC and staff. Mr. Dunlop asked for an explanation of the right of first refusal provision in the loan program.

Executive Director Rosen stated that the Agency's first priority in the loan program was to improve the quality of life for the SRO hotel tenants and the preservation of the SRO hotel units as affordable housing. Ms. Rosen explained that the right of first refusal would occur if the property was placed in the open market for sale, which would give the Agency the opportunity to at least decide if it was appropriate to purchase the property at that time. Ms. Rosen added that staff agreed with the exemption of transfers between family members of tenants.

Commissioner Dunlop stated that he thought the proposed loan program was a wonderful plan and that it would save many lives by providing the sorely needed affordable housing units. Mr. Dunlop recalled John Elberling's suggestion of a monthly contract to avoid the possibility of tenants being evicted due to the 28-day tenant re-shuffle apparently practiced by SRO hotel owners and asked if staff could look into the matter.

Executive Director Rosen responded that SRO hotel owners must comply with the City's existing rent stabilization and rent control ordinances in addition to a State law that prohibited what was known as "musical rooms" that resulted in the eviction of tenants after a period of time. Ms. Rosen reiterated that the Agency's loan program was to benefit and improve the quality of life for the residents and to preserve the affordable housing units. Ms. Rosen stated that she was not certain if the idea of a monthly contract had been discussed.

Commissioner Yee agreed with John Elberling's excellent suggestion for a monthly contract because that would prevent eviction of tenants that were on weekly rental basis. Mr. Yee suggested including a monthly contract for tenants for SRO hotels that the Agency subsidized. Mr. Yee also suggested that the right of first refusal provision including the exemption for family members, be recorded on the deed's property.

Executive Director Rosen stated that the loans would be repaid at the time of sale or transfer of the property and a new agreement could be renegotiated with the new owner, but the Agency's goals would always be to maintain the affordability of the housing units and to improve the quality of life for the residents. Ms. Rosen pointed out that even after the property was sold, the local rent laws would still apply and assured that Commissioner Yee's suggestions would be included in the staff's analysis.

Commissioner Palamountain asked for an update on the Seneca Hotel project and stated that she deemed the Seneca Hotel as a pilot project to establish a track record for the loan program, specifically on the potential sale of such properties.

Mr. Jeff White, Development Specialist, informed the Commission that the Seneca Hotel project was in the pre-development process and that a scope of work was being developed including a building survey and hiring of a development consultant and architect. The next step in the process was the construction loan application scheduled for April 2003.

Executive Director Rosen stated that unlike the Seneca Hotel, the loan amounts proposed under the SRO Hotel Rehabilitation Loan Program were much lower amounts, between \$25,000 and up to \$100,000, and were specifically targeted for improving quality of life conditions and public safety issues for the residents.

Commissioner Palamountain inquired about compliance with the building code for electrical wiring for the SRO hotels. Ms. Palamountain also asked what the average Area Median Income (AMI) of residential hotel tenants, in particular those receiving general assistance.

Mr. White responded that if the property had electrical wiring that complied with the code at the time the building was developed, it was deemed compliant with the building code. Mr. White added that the electrical wiring improvements that may occur under the loan program would be classified as quality of life improvements and not as building code compliance. Mr. White stated that the average income of residential hotel tenants was about 40 percent of AMI. Ms. Rosen added that the average income of residential hotel tenants receiving general assistance was about 20 percent of AMI.

Commissioner Palamountain referred to Attachment 2 (Affordable Units Requirement) of the Commission memorandum and asked for clarification on the number of restricted units affected by the various loan amounts. Ms. Palamountain asked what measures have been taken to prevent owners from using the loans to improve the property for resale and leading to a potential loss of the affordable units.

Mr. White explained that the number of affordable units to be restricted was based on the loan amount with a minimum affordability term of 15 years. The restricted units would be identified and approved by the Agency. Mr. White stated that the Agency subsidy per unit cost of \$700.00 was derived from the estimated average subsidy provided to other Agency and City assisted SRO hotel acquisition and rehabilitation projects. The loans could be used for common areas of the residential hotel like community kitchens.

Mr. Olson Lee, Assistant Deputy Executive Director, informed the Commission that the loan program also required that 51 percent of the units must be for residential and not tourist units, and would be protected under the City's rent ordinance. Mr. Lee stated that the loan program contained a provision for the Agency to have a right of first refusal when the owner put up the property for sale.

Commissioner Palamountain stated that the Agency's mission was to eliminate blight and was deeply concerned with aiding those who perpetuate blight in the City through the proposed loan program. Ms. Palamountain expressed her appreciation to the South of Market PAC for its many hours hard work and dedication on the program. Ms. Palamountain stated that a monthly rental agreement made sense to protect the interests of the tenants. There should be a provision in the loan program for owners to agree with periodic inspections of the property because of concerns that building code violators continue to benefit from the Agency's loan program. Ms. Palamountain expressed concerns with the prepayment of loans and that she would insist on the Agency's right of first refusal and would like to see a successful track record of the program before she would approve additional funding.

Commissioner Singh asked if the loan program would be expanded to other SRO hotels in other project areas.

Mr. White responded that the loan program was for SRO hotels along Sixth Street within the South of Market Earthquake Recovery Redevelopment Project Area and there were no plans to expand the program to other project areas.

Acting President Romero stated that he also liked the right of first refusal provision and agreed with Mr. John Elberling's suggestion for a monthly rental agreement. Mr. Romero thanked staff for an excellent presentation and the public for coming to the meeting.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA,
BUT AGENCY RELATED MATTERS**

- Pat Nacey, Carol Chamberland, Todd Lewis, Larry Vuckovich

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Sent floral arrangement for Captain Jim White's passing and donations could be given to the Commission Secretary.

- Rincon Park opening on February 13th at 11:30 a.m. – Embarcadero at Folsom Street.
- Helen Sause Retirement Party on February 19th at 5:30 p.m. in the Four Seasons Hotel.
- Agency's Black History Month luncheon on February 27th at noon, First Union Baptist Church at Webster Street and Golden Gate Avenue. Commended Sylvester McGuire for being the Agency's archivist of Black history and urged Commissioners and visitors to see the displays in the Agency offices.
- Fillmore Street walking tour on February 22nd at 1:00 p.m., beginning at Fillmore and Turk Streets, followed by a photography exhibit in the Fillmore Center and viewing of a film and reception at Rasselas on Fillmore (1534 Fillmore Street).
- Press reports regarding the Bloomingdale's Project – items coming before the Commission regarding deletion of the hotel component and the tax increment loan and the announcement of a new partnership between Forest City and the San Francisco Center.
- Wished everyone a Happy Chinese New Year.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Dunlop acknowledged receipt of letters from members of the public regarding the Commission meeting day change and all of the letters urged the Commission to keep the meeting days on Tuesday.
- Commissioner King joined Commissioner Dunlop in acknowledging the letters from the public and stated that the public's sentiment should be considered as well as KPOO's ability to broadcast the Commission's meetings. Mr. King inquired about the matter regarding the electrical supplies contractors and asked if the working group was scheduled to meet and discuss the issue.

Executive Director Rosen stated that an informational memorandum had been provided to the Commission regarding the electrical supplies contractors' concerns and staff had recommended that the working group meet to discuss the matter and would advise the Commission of the scheduled meeting day.

- Commissioner Singh shared that he also received letters from the public regarding the Commission meeting day change.

- Commissioner Yee also acknowledged receipt of letters from the public regarding the Commission meeting day change. Mr. Yee inquired about the Bloomingdale's project and asked what the change was in the tax increment loan.

Executive Director Rosen stated that the Commission previously authorized a tax increment loan to Forest City and now that the hotel component of the project was being deleted from the plans, there was no longer a need for the tax increment loan from the Agency.

10. CLOSED SESSION:

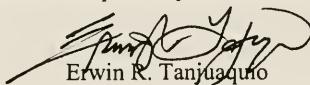
Item 10 (a) continued from the January 28, 2003 Commission meeting.

- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms. The property under consideration for rental is a 1,390-square-foot space at West Bay Conference Center on Fillmore Street in the Western Addition Redevelopment Project Area A-2. Agency negotiators: Marcia Rosen, Joanne Sakai, Tracie Reynolds, Shirley Wysinger, Don Capobres and Denise Blades.
- (b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to negotiations with L & L Enterprises, a California General Partnership, for the purchase of the Univista Apartments, 1340 Turk Street in the Western Addition Redevelopment Project Area A-2. Agency negotiators: Olson Lee, Sean Spear, and Michele Davis

11. ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:50 p.m.

Respectfully submitted,



Erwin R. Tanjuaquo
Agency Secretary

APPROVED:

March 11, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF FEBRUARY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 18th day of February 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop (departed at 5:50 p.m.)
Leroy King (arrived at 4:05 p.m. and departed at 6:30 p.m.)
Kathryn C. Palamountain
Darshan Singh (arrived at 4:08 p.m. and departed at 6:30 p.m.)
Benny Y. Yee (arrived at 4:39 p.m. and departed at 5:50 p.m.)

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY.** None.

DOCUMENTS DEPT.

SEP 13 2007

3. MATTERS OF UNFINISHED BUSINESS:

SAN FRANCISCO
PUBLIC LIBRARY

Item 3 (a) continued from the February 11, 2003 Commission meeting.

3 (a) Resolution No. 16-2003, Authorizing an Amendment to Article III, Section 31 of the Agency's By-Laws to change its regularly scheduled Commission meetings presently held on Tuesdays at 4:00 p.m. of each week

Speakers: Terry Collins

President Sexton stated the matter was placed on the agenda in response to a request from the Board of Supervisors to move the Agency Commission meeting day from Tuesday to Monday. Ms. Sexton stated that there was not

a consensus among the Commissioners to change the meeting day and entertained a motion to withdraw the item.

Commissioner Dunlop stated that discussion of the matter had been delayed for one week so that all seven Commissioners would be present and since two other Commissioners had not yet arrived, he suggested discussing the matter when all Commissioners were present.

Commissioner Romero agreed to wait for all of the Commissioners to be present before continuing discussion of the matter. Mr. Romero stated that he was not in favor of changing the Commission meeting day and had received letters from the public urging the Commission to not change the meeting day.

Commissioner King stated that he was not in favor of changing the Commission meeting day.

Commissioner Singh stated that he was not in favor of changing the meeting day from Tuesday to Monday and put forth a motion to change the Commission meeting day from Tuesday to Wednesday.

There was no second to Commissioner Singh's motion and without a second, the motion died. The Commission did not take action to change its regularly scheduled Commission meeting day presently held on Tuesdays at 4:00 p.m.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of January 21, 2003

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF JANUARY 21, 2003, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 19-2003, Approving a Consultant Panel to provide financial advisory services in connection with bond financings and other related financial services for a period of three years on an as-needed basis

Presenters: Mario Menchini

Commissioner Dunlop thanked the consultant firms for coming to the meeting and put forth a motion to adopt item 4 (b).

Commissioner Singh seconded Commissioner Dunlop's motion and asked what were the qualifications of the consultant firms and what projects the would be working on. Mr. Singh asked how much the consultants' fees were.

Mr. Mario Menchini, Senior Financial Analyst, responded that the firms' qualifications included experience in assisting the Agency in the sale of bonds, including preparation of presentations to rating agencies, debt structuring and pricing for the Agency, financial document review and a host of financial services related to the Agency's bond financing work. Mr. Menchini stated that the advisory panel would help prepare a financial plan for Transbay, a tax allocation issue and a hotel tax financing all of which were expected to take place during 2003. Mr. Menchini stated that the range of fees were between \$25,000 and \$45,000.

Commissioner King commended staff for its good work and congratulated the consultants for their ethnic diversity and compliance with the Agency's equal employment opportunity goals.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 19-2003, APPROVING A CONSULTANT PANEL TO PROVIDE FINANCIAL ADVISORY SERVICES IN CONNECTION WITH BOND FINANCINGS AND OTHER RELATED FINANCIAL SERVICES FOR A PERIOD OF THREE YEARS ON AN AS-NEEDED BASIS, BE ADOPTED.

4 (c) Resolution No. 20-2003, Authorizing a Personal Services Contract with McCoy's Patrol Service, a California corporation, in an amount not to exceed \$70,000 per year for a three-year period, in a total aggregate amount not to exceed \$210,000 for security guard services at South Beach Harbor and Park; Rincon Point-South Beach Redevelopment Project Area

Presenters: James Nybakken (Agency staff)

Commissioner King put forth a motion to adopt item 4 (c) and commended McCoy's Patrol Service for doing a good job at the South Beach Harbor.

Commissioner Palamountain seconded Commissioner King's motion and stated that she supported staff's recommendation for long-term security services for the South Beach Harbor and Park.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 20-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$70,000 PER YEAR FOR A THREE-YEAR PERIOD, IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$210,000 FOR SECURITY GUARD SERVICES AT SOUTH BEACH HARBOR AND PARK; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (d) Resolution No. 21-2003, Authorizing a Second Amendment to the Letter Agreement with the San Francisco Arts Commission to extend the time of performance by four months for providing administrative services for the Fillmore Street Bridge Artwork Project; Western Addition Redevelopment Project Area A-2

Presenters: Thomas Ma (Agency staff), Nina Dunbar (SF Arts Commission)

Commissioner Dunlop put forth a motion to adopt item 4 (d).

Commissioner Romero asked if there were any drawings of the proposed artwork. Ms. Nina Dunbar of the Arts Commission passed the artist's renderings of the proposed artwork to the Commission.

Commissioner King stated that although he would vote for the extension, he was disappointed that the artwork had been delayed for almost a year and had not seen anyone working at the site during the last couple of months. Mr. King asked when the installation of the artwork was scheduled.

Ms. Nina Dunbar of the Arts Commission responded that the artwork was scheduled to be installed on April 22, 2003 and explained that the exact measurements of the steel structure that would support the artwork were not determined until September 2002 and fabrication of the actual artwork pieces could not commence until after the measurements were obtained.

Commissioner Palamountain stated that she would vote for the extension, but was also disappointed with the long delay. Ms. Palamountain referred to the milestone dates described in the Commission memorandum and stated that she would hold staff and the Art Commission to those dates. Ms. Palamountain requested staff to report any further delays to the Commission because the Agency had an obligation to the community to come through with the artwork project.

Commissioner Romero recalled seeing the artwork drawings before and seconded Commissioner Dunlop's motion.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 21-2003, AUTHORIZING A SECOND AMENDMENT TO THE LETTER AGREEMENT WITH THE SAN FRANCISCO ARTS COMMISSION TO EXTEND THE TIME OF PERFORMANCE BY FOUR MONTHS FOR PROVIDING ADMINISTRATIVE SERVICES FOR THE FILMORE STREET BRIDGE ARTWORK PROJECT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (e) Resolution No. 22-2003, Authorizing a First Amendment to the Personal Services Contract with KTB Management Group Inc., a California corporation, and SOMA Partnership, a non-profit public benefit corporation, extending the term 24 months and increasing the contract amount by \$257,516, for a total aggregate amount not to exceed \$386,274, subject to availability of funds for steam cleaning and related services for the Sixth Street corridor; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Isabella Wong (Agency staff), Mary McCue (KTB), Sally Hopkins (SOMA Partnership)

Speakers: Antoinetta Stadlman

Commissioner Palamountain asked if staff had received feedback from the commercial operators along Sixth Street.

Ms. Mary McCue of KTB Management Group stated that at first, there were not a lot of inquiries from the businesses and when contacted most of the businesses were surprised to hear about the street cleaning services and eventually provided feedback and comments. Ms. Sally Hopkins of the SOMA Partnership added that the program had provided the much-needed presence on the street and was welcomed by the businesses.

Commissioner Palamountain shared that as she frequented the area, she had noticed the difference in the smell and sights along Sixth Street and that the activities in the Delta Hotel where the Bayanihan project was underway was impressive. Ms. Palamountain put forth a motion to adopt item 4 (e). Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 22-2003, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH KTB MANAGEMENT GROUP INC., A CALIFORNIA CORPORATION, AND SOMA PARTNERSHIP, A NON-PROFIT PUBLIC BENEFIT CORPORATION, EXTENDING THE TERM 24 MONTHS AND INCREASING THE CONTRACT AMOUNT BY \$257,516, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$386,274, SUBJECT TO AVAILABILITY OF FUNDS FOR STEAM CLEANING AND RELATED SERVICES FOR THE SIXTH STREET CORRIDOR; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (f) Workshop on the Agency's implementation of Senate Bills 2113 and 211 and on plan amendment and adoption efforts

Presenters: Jose Campos (Agency staff)

Speakers: Charles Range

President Sexton asked if there were any imposed deadlines for either SB 211 or 2113 and asked who was sponsored the SB 2113 legislation.

Mr. Jose Campos, Planning Manager, stated that he was not aware of any deadlines for either SB 211 or 2113.

Executive Director Rosen added that there were no statutory deadlines, but stated that the State legislature was considering various amendments as part of its budget deliberations, and so the authority currently existed without the time limits and available to the Agency. Ms. Rosen informed the Commission that the Agency working with the Mayor's Office and San Francisco's State delegation worked jointly on the enactment of SB 2113 which was sponsored by Senator John Burton.

Commissioner Dunlop asked for clarification that there was no deadline to take action even though some of the Agency's redevelopment plans were to expire. Mr. Dunlop asked what the impacts of SB 211 and 2113 amendments would have on the Agency's current schedule of adopting plans for survey areas and would the additional work put stress on staff that may cause further delays on the plan adoption and amendment efforts.

Executive Director Rosen explained that there was no deadline to take action for SB 211, but redevelopment plans had a January 1, 2004 deadline for incurring debt. If a SB 211 amendment was not undertaken prior to that date, there would be no authority to incur debt, and in light of the current

fiscal crisis, it would be advantageous to extend the deadline for the Agency to have an extended period of time to incur debt so that there would not be a debt service burden upon the Agency and the City. Ms. Rosen stated that the SB 211/2113 amendments would be incorporated in the current plan adoption and amendment efforts.

Commissioner Dunlop inquired about the South of Market Plan Amendment and noted that there was no firm date for the plan amendment and asked when the plan amendment was scheduled to come before the Commission.

Mr. Campos stated that the length of time it was taking for the plan adoptions and amendments was due to the lengthy environmental review and community process. In the case of South of Market, there had been an Environmental Impact Report certified in 1996 and staff had been working with the Major Environmental Analysis division of the City's Planning Department to determine the need for additional environmental review for the South of Market plan amendment. Mr. Campos stated that he had been advised by the Planning Department that its review would take about two months and following that review, staff can determine a schedule for the plan amendment for the Commission's consideration.

Commissioner Dunlop asked how the number of housing units to be replaced was quantified and asked staff to respond to Mr. Charles Range's question about the difference in the current efforts in South of Market to replace housing units that were lost as a result of the Loma Prieta earthquake in 1989.

Executive Director Rosen stated that Mr. Range was correct about the South of Market replacement housing and that the term replacement housing in the context of SB 2113 was completely distinct from the replacement housing obligations under redevelopment plans. Under SB 2113, replacement housing referred to the net deficit of housing units lost during the early years of redevelopment until 1976. Agency staff had researched the Agency's records and as required by the SB 2113 legislation, staff sent a request for certification of the number of replacement housing units to the State Department of Housing and Community Development. The estimate of affordable housing units lost was between 6,000 and 7,000 units, calculated by subtracting the total number of affordable units created from the total number of affordable units demolished. The replacement housing obligation under SB 2113 is a cumulative citywide obligation. SB 2113 authorizes the Agency to incur debt until 2014 and to collect tax increment revenue until 2044 to repay the debt or until the lost units have been replaced.

Commissioner Dunlop thanked the Executive Director for the explanation and stated that he hoped there would be no additional stress on staff to complete all of the work necessary to meet the deadlines.

Commissioner Yee stated that Senator John Burton sponsored SB 2113, which was estimated to generate about \$200 million of tax increment funds for the development of affordable housing. Mr. Yee asked how many housing units had been built so far.

Executive Director Rosen stated that the Agency kept records of the housing units produced under the Citywide Tax Increment Housing Program as well as housing units that were produced prior to the establishment of the Citywide Tax Increment Housing Program in 1990, and would provide the information to the Commission after staff had done the research.

Commissioner Yee stated that in his opinion, it should not take that long to replenish the housing units lost and asked how many more units did the Agency need to build in order to fulfill its obligations.

Executive Director Rosen responded that the deficit of between 6,000 and 7,000 replacement units was the number of units needed to replenish the lost housing units and the reason for the 1976 date was that was the date when State law was amended to require the replacement of housing units that were lost due to redevelopment activities. Ms. Rosen stated she believed that since the establishment in 1990 of the Citywide Tax Increment Housing Program, there had been 8,200 affordable housing units developed, so to develop an additional 6,000 to 7,000 units in addition to the Agency's other housing obligations for current project areas, it would certainly be a challenge to the Agency. Ms. Rosen advised the Commission the reason that the \$200 million estimate may change is that SB 2113 was enacted prior to SB 211 and there may be instances where it may be more advantageous for the Agency to adopt a SB 211 amendment, and there may be instances where the available tax increment revenue would be indicated under a SB 211 amendment as opposed to a SB 2113. Ms. Rosen stated that in either case, the anticipated tax increment was a substantial revenue source for the Agency and the City to meet the very urgent need for affordable housing and one that the staff would recommend to the Commission.

Commissioner Palamountain stated that she shared the same concerns as Commissioner Dunlop about delays in the adoption and amendment of redevelopment plans, in particular the South of Market. Ms. Palamountain stated that she supported the recommended delay for the Mid-Market survey area to take advantage of the appropriate base year to establish tax increment generation. Ms. Palamountain expressed concerns with the lack of a formal community body in the Western Addition as the Agency was planning additional scope of work for the project area. Ms. Palamountain asked for an explanation of how the Agency would repay its existing debt while issuing additional debt under a SB 2113 amendment, given that the incurrence of additional debt could impose financial burdens on the Agency.

in addition to the Agency's obligations to allocate a percentage of its tax allocation to the school district. Ms. Palamountain expressed concerns with reports that the State may default on bonded indebtedness that could affect the bond market and may place the Agency in a situation where it could not repay debt it incurred.

General Counsel Bertha A. Ontiveros explained that the Agency was entitled to receive tax allocations to repay its current debt and future debt by 2019. Under the SB 2113 legislation, the Agency could adopt a plan amendment that would entitle it to receive additional tax allocations to repay both existing and additional debt by 2044, but the tax allocations received between 2019 and 2044 could only be used to repay debt incurred following a SB 2113 amendment. Ms. Ontiveros stated that the school district allocation or pass through payment was not a factor in determining the amount of tax allocation the Agency received or its ability to repay the debt because the pass through payment to the school district was deducted at the outset and the tax allocation amount was a net amount.

Executive Director Rosen stated that the state's credit rating had been downgraded which might affect the State bond issuances, but would not affect the Agency. The bond market would look specifically at the Agency's transactions and evaluate the amount of property tax available, and the rating of the Agency's bonds. Ms. Rosen added that the Agency's financial management under Deputy Executive Director Ayisha Benham and Mario Menchini was always cautious and prudent and the Agency continued to be successful in the bond market as evidenced by our most recent bond sale.

Mr. Mario Menchini, Senior Financial Analyst, added that the municipal bond market would not permit the Agency to issue debt if it felt that the Agency did not have sufficient tax increment to pay the debt service for the tax allocation bonds. Mr. Menchini stated that the Agency still enjoyed a satisfactory coverage for its bonded indebtedness as indicated by the insurance obtained for the recent bond sales because the insurers would not have provided the insurance if they felt uncomfortable with the security for the bonds.

Commissioner Palamountain stated that she was surprised to see that there was a proposal to incur housing debt for the India Basin Industrial Park and Golden Gateway project areas. Ms. Palamountain asked for clarification on what could be funded by tax increment revenue under SB 211 and 2113.

Executive Director Rosen explained that the idea was not necessarily to develop housing in those project areas, but that the tax increment generated in all of the project areas would be available for affordable housing development citywide. Ms. Rosen stated that one of the reasons that SB

2113 was enacted was to have the ability to take advantage of tax increment revenue generated in project areas to help finance the extraordinary cost of affordable housing citywide. This would help survey areas pending plan adoption by providing tax increment for affordable housing development. Ms. Rosen stated that under SB 2113, the tax increment generated would be specifically targeted to replace housing units lost due to redevelopment activities and that under SB 211, tax increment could be used for the elimination of blight as well as the production of affordable housing. Ms. Rosen added that State Community Redevelopment Law recognized the need for affordable housing as a community-wide benefit and tax increment could always be used for affordable housing citywide.

Commissioner Singh stated that he agreed with Commissioner Palamountain's concerns about the Agency incurring additional debt and extending the date to incur debt. Mr. Singh asked why the State's negative bond rating would not affect the Agency. Mr. Singh also asked what the interest rates were for the Agency's recent bonds as well as the Agency's bond rating. Mr. Singh asked what the effect of the recent Federal proposal regarding no taxation on dividends would have on the Agency's bond financing.

Executive Director Rosen stated that the Agency, while a state agency, was not the State of California and was a separate entity with a particular kind of debt, which was guaranteed by tax increment revenue.

Mr. Menchini stated that the recent bond sales had interest rates of 4.30 and 4.64 percent and the Agency's bond rating remained at "A" and "A1," which was the highest rating a redevelopment agency could get from the bond market. Mr. Menchini stated that he believed that the proposed no taxation on dividends legislation would likely have a negative impact on the tax-exempt bond market, because there would be fewer buyers and issuance cost would increase.

Commissioner Dunlop asked if the proposed SB 211/2113 amendments required the approval of the Board of Supervisors and if either required environmental impact reports.

Executive Director Rosen responded that both SB 211 and 2113 were legislative acts and did require the approval of the Board of Supervisors. Ms. Rosen stated that the SB 211 ordinance had the simplest procedure that would lift the January 1, 2004 deadline to incur debt and the SB 2113 process was more complex, but that she believed that neither of the two would trigger an environmental impact report. Staff would go through the amendment process and undertake the environmental review process to determine any potential environmental impact resulting from the amendments.

[At this time, approximately 5:50 p.m., Commissioners Dunlop and Yee departed the meeting.]

4 (g) Workshop on the Agency' s fiscal year 2003/04 Budget

Presenters: Mario Menchini, Olson Lee, William Carney (Agency staff)

Commissioner Palamountain stated that she had questions about the budget and asked that the Executive Director and Commission Secretary make arrangements for staff to speak with her regarding questions about the proposed budget.

5. MATTERS NOT APPEARING ON THE AGENDA None.

**6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA,
BUT AGENCY RELATED MATTERS None.**

7. REPORT OF THE PRESIDENT

- President Sexton announced that she was designating Vice-President Romero to serve on the PIDC Board in her stead and Commissioner Palamountain had agreed to continue to serve on the PIDC Board.
- President Sexton asked staff to look into bird abatement in the South of Market Earthquake Recovery Project Area as part of the proposed SRO Hotel Rehabilitation Loan Program and the street cleaning services contract with KTB Management Group.
- President Sexton asked staff to look into increasing the staff travel authorization amounts as part of the Agency's budget process.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Community meeting on February 22nd from 9:30 a.m. to 2:00 p.m. held by the Hunters Point Shipyard CAC and Bayview PAC to discuss the Phase 1 Conceptual Framework for the Hunters Point Shipyard – meeting to be held at the Bayview Opera House, 4705 Third Street and lunch would be served.
- Next PIDC Board meeting regarding the Plaza Hotel, on February 24th at 6:00 p.m. in the Agency offices, 770 Golden Gate Avenue

- The recently approved Federal HUD budget included a \$360,000 allocation for the Mission Bay Senior housing development that was sponsored by Congresswoman Nancy Pelosi. There was an additional \$900,000 for infrastructure work in the Hunters Point Shipyard.

9. COMMISSIONERS QUESTIONS AND MATTERS None.

[At this time, approximately 6:30 p.m., Commissioners King and Singh departed the meeting, leaving the Commission without a quorum to continue the meeting.]

10. CLOSED SESSION:

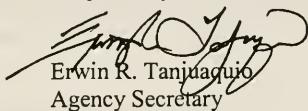
Item 10 (a) was continued to the February 25, 2003 Commission meeting.

(a) Pursuant to Government Code Section 54957.6 to instruct Agency designated representatives to negotiate with San Francisco Redevelopment Employee Association (Professional/Technical Unit) and SEIU Local 790. Agency negotiators: Marcia Rosen, Ayisha Benham, Bertha Ontiveros, and Ora Meacham.

11. ADJOURNMENT

It was moved by Mr. Romero, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:33 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

March 11, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF FEBRUARY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 25th day of February 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Michelle W. Sexton, President (departed at 6:13 p.m.)
Ramon E. Romero, Vice-President
Mark Dunlop (departed at 6:23 p.m.)
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

DOCUMENTS DEPT.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

SEP 13 2003

SAN FRANCISCO
PUBLIC LIBRARY

4 (a) Resolution No. 23-2003, Authorizing Olson Lee, Assistant Deputy Executive Director, Housing Division, to attend the National Association of Local Housing Finance Agencies Spring Educational Conference in Orlando, Florida on April 3-5, 2003 at a cost not to exceed \$1,547

4 (b) Resolution No. 24-2003, Authorizing Marcia Rosen, Executive Director and Joanne Sakai, Deputy Executive Director for Housing and Community Development, to attend the California Redevelopment Association's (CRA) Annual Conference and Exposition in Palm Springs, California, on March 5-7, 2003, at a cost not to exceed \$4,200

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) RESOLUTION NO. 23-2003, AUTHORIZING OLSON LEE, ASSISTANT DEPUTY EXECUTIVE DIRECTOR, HOUSING DIVISION, TO ATTEND THE NATIONAL ASSOCIATION OF LOCAL HOUSING FINANCE AGENCIES SPRING EDUCATIONAL CONFERENCE IN ORLANDO, FLORIDA ON APRIL 3-5, 2003 AT A COST NOT TO EXCEED \$1,547 AND 4 (b) RESOLUTION NO. 24-2003, AUTHORIZING MARCIA ROSEN, EXECUTIVE DIRECTOR AND JOANNE SAKAI, DEPUTY EXECUTIVE DIRECTOR FOR HOUSING AND COMMUNITY DEVELOPMENT, TO ATTEND THE CALIFORNIA REDEVELOPMENT ASSOCIATION'S (CRA) ANNUAL CONFERENCE AND EXPOSITION IN PALM SPRINGS, CALIFORNIA, ON MARCH 5-7, 2003, AT A COST NOT TO EXCEED \$4,200, BE ADOPTED.

REGULAR AGENDA

Items 4 (c), (d) and (e) were presented together.

4 (c) Resolution No. 25-2003, Authorizing a Personal Services Contract with Cultural ID, a sole proprietor, for one year with two one-year options, in an amount not to exceed \$75,000 for the first year and with a 5% annual increase for each subsequent year, subject to appropriations of funds, for Promotions Office consulting services for the Fillmore Jazz Preservation District; Western Addition Area A-2 Redevelopment Project Area

4 (d) Resolution No. 26-2003, Authorizing a Lease Agreement with West Bay Local Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$25,200 for office space at 1286 Fillmore Street for a one-year term and with two one-year options, subject to appropriation of funds; Western Addition Area A-2 Redevelopment Project Area

4 (e) Resolution No. 27-2003, Approving an Operating Budget for the Promotions Office for the Fillmore Jazz Preservation District, in an amount not to exceed \$148,000; Western Addition Area A-2 Redevelopment Project Area

Presenters: Shirley Wysinger, Don Capobres, Denise Blades (Agency staff), Leamon Abrams (MOED), Caroline Ocampo (Cultural ID)

Speakers: Susie Hodges, Anita Hill, Marcus Shelby, John Burke, Tiffany Lofton, Rodney Low, Niko Clifford, Nancy Fox, Patricia Lee, Jack Bowers, Lorna Dietz, Shelly Bradford-Bell, Robert Hector, Sharon Alford, Jonna Justiniano, Dorris M. Vincent, Murrell Green, Agonafer Shiferaw

Commissioner Dunlop put forth a motion to adopt item 4 (c) and thanked the selection panel comprised of community members and City officials for their hard work. Mr. Dunlop stated that he was impressed with the outpouring of support for Cultural ID and Ms. Ocampo's talents. Mr. Dunlop recalled public testimony suggesting that Ms. Ave Montague be involved in the process and stated that he was certain that Ms. Ocampo would involve Ms. Montague as well as the Ella Hill Hutch Community Center. Mr. Dunlop lent his enthusiastic support for Cultural ID and stated that he was pleased to see forward motion on the Fillmore Jazz Preservation District.

Commissioner Palamountain seconded Commissioner Dunlop's motion to adopt item 4 (c) and stated that she was impressed with the energy brought about by the selection process for the promotions office consultant and thanked the selection panel for working long hours and coming up with the recommendation of Cultural ID. Ms. Palamountain stated that it was clear in her mind that a \$75,000 consultant contract was not going to change the area and bring economic vibrancy to the Fillmore District and that she hoped that the one consultant contract would not be the only one enriched by Agency activities, but all of the small business up and down Fillmore Street. Ms. Palamountain recalled testimony from Mr. Murrell Green who told the Commission that he came back to the Western Addition after college to open his own small business and thanked him for coming back to the community. Ms. Palamountain asked the Agency's project management staff to provide periodic progress reports on the project and lent her support for any future needs that the project may need including additional funds necessary to bring the economic revitalization of the Fillmore District.

Commissioner King stated that Cultural ID seemed like a good firm, but it did not have the concept of having local community involvement and although he would support the items before the Commission, he would not support the process without community representation from the Western Addition. Mr. King stated that he did not see any involvement from people in the Western Addition that have been working on the Jazz District for twelve years in the proposed promotions office and agreed with Ms. Shelly Bell's comments that local community representation was needed for the Promotions Office to be successful.

Commissioner Singh asked if the proposed contract was a year-to-year contract and would the contract renewal come before the Commission. Mr. Singh asked if progress reports would be provided to the Commission.

Executive Director Marcia Rosen responded that the proposed contract was a one-year contract with two one-year options to renew and the intention was to work with the community in developing the jazz and entertainment events schedule to promote the Fillmore District.

Ms. Shirley Wysinger, Senior Project Manager, informed the Commission that the Promotions Office's work progress would be included in the Fillmore District monthly report.

Commissioner Romero recalled that there was earlier opposition to the Promotions Office, but something needed to be done to begin the economic revitalization process. Mr. Romero stated that the selection process for the promotions office consultant seemed fair and the selection panel selected a consultant with a good track record and experience, and opined that sometimes, outsiders can provide the objectivity that was needed. Mr. Romero stated that the Agency and the community should have a positive attitude about the project and that the Agency as well as the community wanted the project to succeed. Mr. Romero lent his support for the recommended Promotions Office consultant.

Commissioner Yee stated that he was glad to see the overwhelming support for Cultural ID and that Cultural ID was a world-class promotions consultant with very high qualifications and experience. Mr. Yee remarked that the \$75,000 contract seemed like a good deal for the Agency and stated that the Commission stood ready to authorize additional funds if necessary. Mr. Yee recalled the earlier suggestion to include Ms. Montague in the process and asked staff if a one-week delay would help resolve the issue.

Executive Director Rosen responded that as the Commission memorandum indicated, there was an attempt to work with Ms. Montague, but the Agency was bound by the \$75,000 contract amount stipulated in the RFP, and only Cultural ID was willing to perform the full scope of services in the contract for the \$75,000 amount. Ms. Rosen stated that the one-week delay would not resolve the issue, and Agency staff and Cultural ID intended to work with not only Ms. Montague, but also other qualified people in the Western Addition community to develop a plan to promote the many activities in the Fillmore District. Ms. Rosen added that the initial contract would provide the opportunity to increase programming dollars for the Promotions Office that would involve qualified people like Ms. Montague.

President Sexton thanked staff for doing a great job and pulling the support of other City departments. Ms. Sexton stated that many events were held in the Fillmore District and the Promotions Office contract was a way of organizing and structuring the events and that the existing events would continue to be hosted in the Fillmore District and Cultural ID would work with the local community in the promotion of the events. Ms. Sexton reiterated that the Commission wanted to work with the community to ensure the success of the Promotions Office.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 25-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH CULTURAL ID, A SOLE PROPRIETOR, FOR ONE YEAR WITH TWO ONE-YEAR OPTIONS, IN AN AMOUNT NOT TO EXCEED \$75,000 FOR THE FIRST YEAR AND WITH A 5% ANNUAL INCREASE FOR EACH SUBSEQUENT YEAR, SUBJECT TO APPROPRIATIONS OF FUNDS, FOR PROMOTIONS OFFICE CONSULTING SERVICES FOR THE FILLMORE JAZZ PRESERVATION DISTRICT; WESTERN ADDITION AREA A-2 REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 26-2003, AUTHORIZING A LEASE AGREEMENT WITH WEST BAY LOCAL DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$25,200 FOR OFFICE SPACE AT 1286 FILLMORE STREET FOR A ONE-YEAR TERM AND WITH TWO ONE-YEAR OPTIONS, SUBJECT TO APPROPRIATION OF FUNDS; WESTERN ADDITION AREA A-2 REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 27-2003, APPROVING AN OPERATING BUDGET FOR THE PROMOTIONS OFFICE FOR THE FILLMORE JAZZ PRESERVATION DISTRICT, IN AN AMOUNT NOT TO EXCEED \$148,000; WESTERN ADDITION AREA A-2 REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (f) Workshop II on the Agency's fiscal year 2003/04 Budget

Executive Director Rosen informed the Commission that staff had been working with the Mayor's budget office and was rescheduling the Agency's budget approval to March 18th in order to allow for a third Commission budget workshop on March 11th. Ms. Rosen encouraged the Commission to forward any suggestions on the Agency's budget so that staff could incorporate them at the next workshop.

Presenters: Mario Menchini, Shirley Wysinger, Don Capobres, Stanley Muraoka (Agency staff)

Speakers: Dorris M. Vincent

[At this time, approximately 6:13 p.m., President Sexton departed the meeting. Vice-President Romero presided over the remainder of the Commission meeting.]

4 (g) Resolution No. 28-2003, Authorizing the Single Room Occupancy Hotel Rehabilitation Loan Program for a total program amount not to exceed \$700,000 subject to \$500,000 future appropriation of funds; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Jeff White (Agency staff)

Speakers: Antoinetta Stadlman, Deforest Woods, Sam Patel, Dipak Patel, Phyllis Trammell, Sam Dodge, Amy Fishman, Joanna Hagerty, Mahandra Dave, Meredith Walters, Luci Douglas, Terrie Frye, Ana Bolton-Arguello, Jessica Davis, Angus McCarthy, Randy Shaw, Otto Duffy, John Elberling, Henry Karnilowicz, Joe O'Donoghue, Prince Bush

Commissioner Singh asked for an explanation of the right of first refusal provision in the rehabilitation loan program. Mr. Singh also asked why the original funding amount of one million dollars was reduced by more than half.

Executive Director Rosen explained that the right of first refusal was a right that the Agency would have. Should the owner of a hotel that had one of the rehabilitation loans decide to sell the hotel in the open market, the Agency would have the right to acquire it at the fair market value. The right of first refusal was included in the loan program to address concerns raised by the Commission that private owners would take advantage of the favorable loan terms of zero percent interest and sell the property in the open market, perhaps disturbing the affordability and quality of life for the existing residents or transforming the property into a non low-income residential use. Ms. Rosen stated that the money in the previous budget year designated for the rehabilitation loan program of up to one million dollars had been reserved for the Seneca Hotel, in which a predevelopment loan had previously been authorized by the Commission. Staff was suggesting that \$200,000 of uncommitted funds in the existing budget be programmed for the SRO Hotel Rehabilitation Loan Program in order to make it available to other SRO hotel owners this fiscal year and an additional \$500,000 had been

included in the Agency's fiscal year 2003/2004 budget. If the Agency's 2003/2004 budget is approved, that would provide a total of \$700,000 for the loan program that would be in addition to the one million dollars reserved for the Seneca Hotel.

Commissioner Singh stated that the right of first refusal for a \$25,000 loan did not seem fair to the hotel owners and put forth a motion to authorize the loan program without the right of first refusal provision.

Commissioner Yee shared that he had used the right of first refusal in many of his real estate transactions and understood the staff's recommendation to protect the interest of the Agency, but given the strong opposition to the right of first refusal and the relatively small loan amounts, Mr. Yee suggested that staff revisit the issue and work with the hotel owners. Mr. Yee inquired about the City's sprinkler ordinance and asked if the SRO hotels were in compliance.

Executive Director Rosen responded that the enforcement agency for the sprinkler ordinance was the Department of Building Inspection and added that if an hotel had not been cited for that code violation, it would be an eligible activity under the SRO Hotel Rehabilitation Loan Program.

Commissioner Yee stated that as a landlord himself, it was the owners' responsibility and obligation to correct any code violations and respond to tenants' needs such as upgrading the electrical wiring in the buildings.

Commissioner King seconded Commissioner Singh's motion to authorize the loan program without the right of first refusal provision. Mr. King stated that the intent of the loan program was to help the hotel owners to improve the quality of life for the residents and not impose conditions upon them. Mr. King stated that the Agency should be working with the community and the Project Area Committee to help improve the area and there was overwhelming testimony opposing the right of first refusal.

Commissioner Palamountain asked for an overview of the sprinkler ordinance and how it was enforced.

Mr. Olson Lee, Assistant Deputy Executive Director, explained that the sprinkler ordinance, which was adopted a year and a half ago was administered by the Department of Building Inspection and required the provision of sprinklers in SRO hotels and related commercial spaces. There were deadlines imposed for owners to comply and the ordinance primarily focused on residential hotels.

Mr. Jeff White, Development Specialist, added that the initial deadline for compliance was June 30, 2002 and was subsequently extended to December 31, 2002. Mr. White stated that many of the SRO hotels were not in compliance and the loan program was intended to provide funding access to the owners.

Commissioner Palamountain asked Mr. Sam Patel an hotel owner and president of the SRO hotel owners association, why the owners opposed the right of first refusal provision of the loan program.

Mr. Sam Patel stated that the reason for the owners' opposition to the right of first refusal was the lengthy process involved, which required appraisals from both parties followed by negotiations on the price. Mr. Patel stated that if the parties could not agree on the appraisals, a third independent appraisal would be done and the process would take four to six weeks to complete instead of five to ten days, and the right of first refusal would negatively impact the owners because in an open market, a buyer willing to pay a higher price would not be willing to wait for the right of first refusal process to conclude. Mr. Patel added that once the property was for sale, an owner would have to complete what was called a "1031 exchange," which was a tax-deferred exchange that would designate one property for another, and the owner would not be able to fulfill the IRS code requirement with the time constraints involved. Mr. Patel advised the Commission that given the loan amounts, he was not comfortable with the right of first refusal requirement.

Commissioner Yee stated that any real estate transaction would take a lot longer than five to ten days to conclude because each party would need to gather relevant information about the property. Mr. Yee stated that the right of first refusal was a fair condition up to a point, but because of opposition from the community, he urged staff to conduct additional research and come up with a compromise.

Acting President Romero stated it was clear that the right of first refusal was a fair concept, but it was also clear from the testimony that the loan program would not succeed with such a provision because owners would not take advantage of it. Mr. Romero stated that the Agency had legitimate interests to protect its investment, but pointed out that the loans would be repaid and the loan amounts were not significant amounts compared to the value of the properties in general, and on the other hand, it was important to have a successful loan program that would help address the needs of the residents of the SRO hotels. Mr. Romero stated that he would support the motion to delete the right of first refusal provision in the loan program.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, TO ADOPT RESOLUTION NO. 28-2003, AUTHORIZING THE SINGLE ROOM OCCUPANCY HOTEL REHABILITATION LOAN PROGRAM FOR A TOTAL PROGRAM AMOUNT NOT TO EXCEED \$700,000 SUBJECT TO \$500,000 FUTURE APPROPRIATION OF FUNDS; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, WITHOUT THE RIGHT OF FIRST REFUSAL PROVISION IN THE SRO HOTEL REHABILITATION LOAN PROGRAM, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Singh
Mr. Yee
Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Ms. Palamountain

AND THE FOLLOWING WERE ABSENT:

Mr. Dunlop
Ms. Sexton

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, ONE (1) NAY, AND TWO (2) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 28-2003 WAS ADOPTED WITHOUT THE RIGHT OF FIRST REFUSAL PROVISION IN THE SRO HOTEL REHABILITATION PROGRAM.

4 (h) Resolution No. 29-2003, Authorizing a Personal Services Contract with Project Sentinel, a California nonprofit public benefit corporation, for one year, with the option to extend the term for up to two additional years, in an amount not to exceed \$35,000 for each year for a total aggregate amount not to exceed \$105,000, for fair housing testing, consulting, and training services; Citywide Tax Increment Housing Program

Presenters: Jennifer Oberly (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MS. SEXTON ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 29-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH PROJECT SENTINEL, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR ONE YEAR, WITH THE OPTION TO EXTEND THE TERM FOR UP TO TWO ADDITIONAL YEARS, IN AN AMOUNT NOT TO EXCEED \$35,000 FOR EACH YEAR FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$105,000, FOR FAIR HOUSING TESTING, CONSULTING, AND TRAINING SERVICES; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.
7. **REPORT OF THE PRESIDENT**
 - Acting President Romero reported on behalf of President Sexton, that President Sexton attended the morning session of the Hunters Point Shipyard CAC meeting held on February 22nd at the Bayview Opera House and wanted to thank staff for all of the hard work and that she had forwarded questions and inquiries about the shipyard to staff and looked forward to staff's written response in the near future.
8. **REPORT OF THE EXECUTIVE DIRECTOR**
 - Public meetings regarding the Octavia Boulevard project:
 - February 27th, 6:00 p.m. at the First Baptist Church (Waller and Octavia) to discuss the overall Octavia Boulevard project
 - March 10th, 6:00 p.m. at the Agency offices to discuss the pending issuance of a RFP for Parcels A and C, which are owned by the Agency and designated for senior affordable housing development
 - Willie B. Kennedy retirement party honoring her service to BART and the City and County of San Francisco on March 4th at 7:30 p.m. at the Palomino Restaurant at Folsom Street and the Embarcadero.
 - Informational memoranda regarding proposed issuance of a RFQ for a Mission Bay Open Space Maintenance Program and a RFQ for the Juneteenth Festival.
9. **COMMISSIONERS QUESTIONS AND MATTERS** None.

10. CLOSED SESSION:

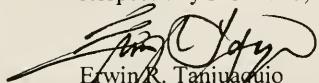
Item 10 (a) was continued from the February 18, 2003 Commission meeting.

- (a) Pursuant to Government Code Section 54957.6 to instruct Agency designated representatives to negotiate with San Francisco Redevelopment Employee Association (Professional/Technical Unit) and SEIU Local 790. Agency negotiators: Marcia Rosen, Ayisha Benham, Bertha Ontiveros, and Ora Meacham.
- (b) Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Assessor Block 3740, Lot No. 27, located mid-block on Main and Spear Streets between Howard and Folsom Streets within the Transbay Redevelopment Survey Area and the party with whom the Agency may negotiate is the City and County of San Francisco. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, and Tracie Reynolds.

11. ADJOURNMENT

It was moved by Ms. Palamountain, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:10 p.m.

Respectfully submitted,



Erwin R. Tanjuaqio
Agency Secretary

APPROVED:

March 18, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF MARCH 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 11th day of March 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:02 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

DOCUMENTS DEPT.

4. MATTERS OF NEW BUSINESS:

SEP 13 2007

CONSENT AGENDA

SAN FRANCISCO
PUBLIC LIBRARY

4 (a) Approval of Minutes: Meetings of January 28, February 11 and 18, 2003

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETINGS OF JANUARY 28, FEBRUARY 11 AND 18, 2003, BE ADOPTED.

REGULAR AGENDA

Items 4 (b), (c) and(d) were presented together.

- 4 (b)** Resolution No. 30-2003, Public Hearing and Authorizing a Ground Lease for an initial term of 65 years with an option to renew for an additional 34 years with Jordan Housing Corporation, a California nonprofit public benefit corporation, in conjunction with the acquisition and rehabilitation of 55 very low-income rental units, the Jordan Apartments, 820 O'Farrell Street; Citywide Tax Increment Affordable Housing Program
- 4 (c)** Resolution No. 31-2003, Authorizing a Tax Increment Loan Agreement for an amount not to exceed \$1,250,000 with Jordan Housing Corporation, a California nonprofit public benefit corporation, in conjunction with the acquisition and rehabilitation of 55 very low-income rental units, the Jordan Apartments, 820 O'Farrell Street; Citywide Tax Increment Affordable Housing Program
- 4 (d)** Resolution No. 32-2003, Authorizing a Regulatory and Grant Agreement in an amount not to exceed \$3,886,864 with Jordan Housing Corporation, a California nonprofit public benefit corporation, in conjunction with the acquisition and rehabilitation of 55 very low-income rental units, the Jordan Apartments, 820 O'Farrell Street; Citywide Tax Increment Affordable Housing Program

Presenters: Michele Davis (Agency staff),

Speakers: Mary Helen Rogers, Randall Evans, Francis Hayward

Commissioner Dunlop put forth a motion to adopt item 4 (b) and thanked the public for its comments. Mr. Dunlop asked if there was any possibility of recovering the funds from contractors that were responsible for the reported faulty rehabilitation work. Mr. Dunlop inquired about the complaints against the John Stewart Management Company and asked if staff was involved with the management of the building.

Ms. Michele Davis, Development Specialist, stated that she was not certain about the recovery of funds but at the present time, staff had been very thorough in the inspection of the property with Agency engineering and architectural staff conducting the inspection along with Hanscomb Cost Estimating Company. Ms. Davis informed the Commission that at the time the Agency purchased the building, the building had no property manager and staff asked John Stewart to manage the building and to date, staff had not heard complaints about the property management. Ms. Davis stated that steady progress had been made and additional improvements were underway.

Commissioner Palamountain seconded Commissioner Dunlop's motion to adopt item 4 (b). Ms. Palamountain expressed concerns with the property management and requested a status report in three months and asked if that period of time was adequate for staff.

Executive Director Rosen stated that the Agency owned the building and that residents generally informed the Agency when there were problems, but staff had no complaints about the building's management. In fact, neighbors and residents have informed the Agency of how much things have improved, that the area had stabilized and the crime had dissipated and services to the tenants had improved since Conard House took over. Ms. Rosen assured the Commission that staff would continue to work with the property management and the residents.

Commissioner Palamountain stated that she was sensitive to the Agency housing staff's heavy workload, but urged staff to work proactively with the residents and property management.

President Sexton verified that the repayment of the \$1,250,000 tax increment loan was subject to the receipt of State funding and asked what would happen if State funds were not approved.

Ms. Davis affirmed that the tax increment loan was subject to State funding and if not approved, the matter would come back to the Agency Commission to request the needed funds.

Commissioner Singh asked if the 65-year ground lease with an additional 34-year option was typical with such transactions and if the same terms had been used in other Agency projects.

Ms. Davis responded that the term of the ground lease was a requirement of the State's Multi-Family Housing Program and that this was the case with similar Agency projects.

Commissioner Yee stated that John Stewart was a well-known property management company and suggested that it was in the best interest of the tenants to monitor the management of the building and report any problems to Agency staff. Mr. Yee asked what the cost savings would be for the Agency if State funds were approved for the project.

Ms. Davis informed the Commission that there would be \$1.2 million in savings to the Agency.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 30-2003, PUBLIC HEARING AND AUTHORIZING A GROUND LEASE FOR AN INITIAL TERM OF 65 YEARS WITH AN OPTION TO RENEW FOR AN ADDITIONAL 34 YEARS WITH JORDAN HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 55 VERY LOW-INCOME RENTAL UNITS, THE JORDAN APARTMENTS, 820 O'FARRELL STREET; CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 31-2003, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT FOR AN AMOUNT NOT TO EXCEED \$1,250,000 WITH JORDAN HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 55 VERY LOW-INCOME RENTAL UNITS, THE JORDAN APARTMENTS, 820 O'FARRELL STREET; CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 32-2003, AUTHORIZING A REGULATORY AND GRANT AGREEMENT IN AN AMOUNT NOT TO EXCEED \$3,886,864 WITH JORDAN HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 55 VERY LOW-INCOME RENTAL UNITS, THE JORDAN APARTMENTS, 820 O'FARRELL STREET; CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

Items 4 (e) and (f) were presented together.

- 4 (e) Resolution No. 33-2003, Authorizing a First Amendment to the Amended and Restated Tax Increment Grant Agreement with Community Housing Partnership, a California non-Profit public benefit corporation, to amend the schedule of performance for the rehabilitation of 86 very low-income rental units, the Senator Residence, 519 Ellis Street; Citywide Tax Increment Housing Program
- 4 (f) Resolution No. 34-2003, Authorizing a First Amendment to the Tax Increment Loan Agreement with Community Housing Partnership, a California non-profit public benefit corporation to: 1) increase the loan amount for an aggregate total loan amount of \$ 5,005,930.00; 2) revise the construction bridge loan repayment date; and 3) revise the rehabilitation commencement and completion dates for the rehabilitation of 86 very low-income rental units, the Senator Residence, 519 Ellis Street; Citywide Tax Increment Housing Program

Presenters: Elizabeth Colomello (Agency staff)

Speakers: Natalie Bonnewit, Tony Davidson, Tommy Denmon, K. Rae Suber

Commissioner Dunlop put forth a motion to adopt item 4 (e) and thanked staff for the thorough presentation. Mr. Dunlop thanked the tenants for coming to the meeting and stated that it was good to hear from the tenants.

Commissioner Palamountain enthusiastically seconded Commissioner Dunlop's motion to adopt item 4 (e).

Commissioner Singh asked what the term of the construction bridge loan was. Mr. Singh asked what the tenant population of the building was and what the rents were for the housing units. Mr. Singh also asked what the total rent revenue was for the building and how many employees there were as well as their salaries.

Ms. Elizabeth Colomello, Assistant Development Specialist, responded that the construction bridge loan had a three-year term. Ms. Colomello stated that the tenants include formerly homeless people, who receive general assistance, disability benefits, and social security insurance or who are employed.. Ms. Colomello stated that the market rents are approximately \$1,100 a month for a one-bedroom unit and studios start at around \$700 a month. The residents pay only 30% of their income irrespective of the income and the difference is paid by HUD under the Section 8 program.

Ms. Natalie Bonnewit of Community Housing Partnership informed the Commission that the total rent revenue for 2002 was \$812,526 for the fair market rents. Ms. Bonnewit stated that there were 3.5 full-time employees who included desk clerks, janitorial and management staff. There was 4.5 full-time property management staff. Ms. Bonnewit stated that she did not have the employees' salary information, but would provide the information to Agency staff.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 33-2003, AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED TAX INCREMENT GRANT AGREEMENT WITH COMMUNITY HOUSING PARTNERSHIP, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, TO AMEND THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF 86 VERY LOW-INCOME RENTAL UNITS, THE SENATOR RESIDENCE, 519 ELLIS STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 34-2003, AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT WITH COMMUNITY HOUSING PARTNERSHIP, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION TO: 1) INCREASE THE LOAN AMOUNT FOR AN AGGREGATE TOTAL LOAN AMOUNT OF \$ 5,005,930.00; 2) REVISE THE CONSTRUCTION BRIDGE LOAN REPAYMENT DATE; AND 3) REVISE THE REHABILITATION COMMENCEMENT AND COMPLETION DATES FOR THE REHABILITATION OF 86 VERY LOW-INCOME RENTAL UNITS, THE SENATOR RESIDENCE, 519 ELLIS STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (g) Workshop III on the Agency's proposed fiscal year 2003/2004 Budget

Presenters: Ayisha Benham, Jose Campos, Amy Neches (Agency staff)

Speakers: Randall Evans, Mary Helen Rogers

Commissioner Yee inquired about the Federal Office Building project at 7th and Mission Streets and asked for an update.

Mr. Jose Campos, Planning Manager, informed the Commission that the Federal Office Building project had been underway and was under construction.

Commissioner Dunlop asked staff to address Mr. Randall Evans' questions regarding the monitoring of Agency contract work in the project areas.

Mr. Chris Iglesias, Contract and Fiscal Services Manager, responded that the Agency contracted with the Private Industry Council to administer community-based organization contracts in all of the redevelopment project areas and staff continued to work with the South of Market Employment Center, Young Community Developers, Ella Hill Hutch Community Center, as well as referrals from other community-based organizations like the Chinese-American for Affirmative Action. Mr. Iglesias assured the Commission that staff conducted extensive monitoring of the Agency's contract compliance policies on all of the Agency's contract work.

Commissioner Dunlop thanked staff for its hard work and good presentations on the budget. Mr. Dunlop verified that the Transbay redevelopment plan, including the environmental impact report as well as all of the required documents was scheduled for adoption by Fall 2003. Mr. Dunlop inquired about the estimated \$500,000 parking revenue from the

transfer of the CalTrans properties. Mr. Dunlop asked if the proposed Agency budget was a final budget and did staff anticipate additional cuts by the Mayor's office.

Mr. Mike Grisso, Senior Planner affirmed that the scheduled adoption of the Transbay redevelopment plan and relevant documents was the Fall of 2003. Mr. Grisso stated that the \$500,000 parking revenue was a rough estimate as the schedule of the transfer of the CalTrans properties was still under negotiations and scheduled to be completed by the Fall of 2003.

Executive Director Rosen stated that given the current City and State fiscal crisis, staff was in close contact with the Mayor's budget office in the preparation of the Agency's budget. In recent discussions with the Budget Director, he asked that the Commission be reminded that the Agency's budget was still subject to revisions. Ms. Rosen stated that the Mayor's office was in support of the Agency's budget going forward, but cautioned that there may be changes forthcoming that were not yet known. Ms. Rosen assured that the Commission would be kept informed throughout the budget approval process.

Commissioner Palamountain thanked staff for its hard work, especially Ms. Benham and Ms. Sakai along with project managers for spending time to answer her questions. Ms. Palamountain addressed the questions raised by Mrs. Mary Rogers and informed her that the Fillmore Street events including the Juneteenth Festival and Holiday event were represented by a \$150,000 line item and the promotions activities was under a \$287,000 line item, all of which were under the economic revitalization budget line item for the Western Addition. Ms. Palamountain stated that the Manchester Bidwell line item was a placeholder to reserve funds for future jazz and commercial interests in the Fillmore District. Ms. Palamountain stated that the Community Bank of the Bay loan funds were covered in past budget allocations and staff was working on the loan program as part of the overall economic revitalization of Western Addition. Ms. Palamountain urged staff to respond to Mrs. Rogers' questions and to work with her. Ms. Palamountain stated that she looked forward to next week's budget approval.

Commissioner King agreed with Mrs. Mary Rogers' statements that there had not been a lot of community input on the Agency's proposed budget and expressed concerns that without support from the various communities, the Agency could run into trouble when the budget went before the Board of Supervisors. Mr. King stated that the Commission had only heard from staff and not members of the community and suggested that there should be community members contacting the Board of Supervisors and the Mayor's office stating their support for the Agency's budget.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Randall Evans, Mary Helen Rogers

7. **REPORT OF THE PRESIDENT**

- President Sexton shared that she and Commissioner Yee attended a press conference on March 6th where Patricia Johnson, the new Executive Director for the Museum of the African-American Diaspora was introduced and expressed her delight on the project's steady progress and how proud she was to represent the Agency Commission and thanked staff for its dedication.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen shared that she participated in a design workshop for the Museum of the African-American Diaspora on March 7th and spent time with Patricia Johnson, the new Executive Director of the museum. Ms. Rosen informed the Commission that an operating budget for the museum was calendared for the Commission's consideration at its March 18th Commission meeting.
- First public workshop on the Transbay Design for Development on March 13th from 5:30 to 8:30 p.m. at the Forum, Center for the Arts, 701 Mission Street. For more information contract David Habert, Senior Planner at 749-2439.
- Community meeting held on March 10th at the Agency offices to discuss the development plan for the Central Freeway parcels A and C to develop senior affordable housing. There were about 30 people in attendance representing the Western Addition, Hayes Valley and senior housing advocates and public comments were favorable and in support of the Agency's plans to develop the senior housing. Staff would be preparing the RFP for the proposed developments for the Commission's consideration.
- Unofficial opening of the Fillmore Jazz Promotions Office at the West Bay Conference Center, 1286 Fillmore Street and the telephone number is (415) 441-6396. A grand opening and welcome to the community was being scheduled. Staff wanted to especially thank Adrian and Charles Edington for making the office space available with the short notice.

- Several informational memoranda including the monthly report on the activities at the Fillmore Jazz Preservation District.

Executive Director Rosen responded to comments from the public about the street maintenance on Fillmore and stated that she and staff had frequented Fillmore Street and noticed a marked improvement on the cleanliness of the street, but also noticed the reported debris including cigarette butts at the bus stop on O'Farrell and Fillmore Streets. Ms. Rosen informed the Commission that Sharon Alford of Ella Hill Hutch and Mary McCue of KTB met every Wednesday morning on Fillmore Street to review and coordinate the cleanup activities and were available to respond to issues from the community. Ms. Rosen urged members of the community to call KTB and Ella Hill Hutch to report any issues they had and pledged the Agency staff's availability and commitment to work collaboratively with the community to improve the conditions on Fillmore Street.

- Ms. Rosen ended her report with a Happy Birthday wish to Mrs. Mary Helen Rogers.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Yee verified that street cleaning was the responsibility of the Department of Public Works (DPW) and suggested reporting the debris at the bus stop to DPW.

Executive Director Rosen affirmed that DPW was responsible for the street cleaning, but the Agency had undertaken the sidewalk maintenance on Fillmore Street. Ms. Rosen added that staff was in contact with all of the property owners to discuss participation in a street maintenance district and the opening of the promotions office would help in establishing presence on the street. Ms. Rosen assured the Commission that staff, consultants and the community were stepping up the efforts to revitalize the area.

10. CLOSED SESSION: None.

11. ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Erwin A. Tanjuaquio
Agency Secretary

APPROVED:

March 18, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF MARCH 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 18th day of March 2003, at the place and date duly established for holding of such a meeting.

The Commission met in a meeting as the Housing Committee of the Affordable Housing and Home Ownership Bond Program before commencing the Regular Agency Meeting Agenda. The Housing Committee meeting was called to order at 4:00 p.m. and adjourned at 4:11 p.m.

President Michelle W. Sexton called the meeting to order at 4:17 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

SEP 13 2007

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY.** None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meetings of February 25, and March 11, 2003

- 4 (b) Resolution No. 35-2003, Authorizing payment of \$65,000 to the Human Rights Commission of the City and County of San Francisco, for the Agency's share of the cost of the Citywide Surety Bond Program
- 4 (c) Resolution No. 36-2003, Authorizing Sylvester McGuire, Senior Contract Compliance Specialist, to attend the 20th Anniversary of the National Forum for Black Public Administrators' Annual Conference in Fort Lauderdale, Florida on April 25-30, 2003, at a cost not to exceed \$2,570
- 4 (d) Resolution No. 37-2003, Authorizing an extension of time from May 9, 2003 to August 9, 2003 for the Agency's Panel of Independent Fee Appraisers and Appraisal Firms to continue to provide appraisal services on an as-needed basis; All Project Areas

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4(a) APPROVAL OF MINUTES: MEETINGS OF FEBRUARY 25, AND MARCH 11, 2003, 4 (b) RESOLUTION NO. 35-2003, AUTHORIZING PAYMENT OF \$65,000 TO THE HUMAN RIGHTS COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, FOR THE AGENCY'S SHARE OF THE COST OF THE CITYWIDE SURETY BOND PROGRAM, 4 (c) RESOLUTION NO. 36-2003, AUTHORIZING SYLVESTER MCGUIRE, SENIOR CONTRACT COMPLIANCE SPECIALIST, TO ATTEND THE 20TH ANNIVERSARY OF THE NATIONAL FORUM FOR BLACK PUBLIC ADMINISTRATORS' ANNUAL CONFERENCE IN FORT LAUDERDALE, FLORIDA ON APRIL 25-30, 2003, AT A COST NOT TO EXCEED \$2,570, AND 4 (d) RESOLUTION NO. 37-2003, AUTHORIZING AN EXTENSION OF TIME FROM MAY 9, 2003 TO AUGUST 9, 2003 FOR THE AGENCY'S PANEL OF INDEPENDENT FEE APPRAISERS AND APPRAISAL FIRMS TO CONTINUE TO PROVIDE APPRAISAL SERVICES ON AN AS-NEEDED BASIS; ALL PROJECT AREAS, BE ADOPTED.

REGULAR AGENDA

- 4 (e) Resolution No. 38-2003, Adopting the proposed Budget for the period July 1, 2003 through June 30, 2004 and Authorizing the Executive Director to submit the Budget to the Mayor's Budget Office

Presenters: Mario Menchini (Agency staff)

Speakers: Mary Helen Rogers, Randall Evans

Commissioner Dunlop put forth a motion to adopt item 4 (e) and thanked staff for the hard work on one of the most difficult budgets the Agency have had to face in light of the challenging economic times and still preserve the Agency's priority of developing affordable housing. Mr. Dunlop asked staff to reassure Mrs. Rogers about her concerns regarding proposed housing at Turk Street, Scott Street and the freeway parcels. Mr. Dunlop agreed with Mr. Randall Evans' comments that the Western Addition should have community representation particularly during the budget process, as did other redevelopment project or survey areas with Project Area and Citizens' Advisory Committees. Mr. Dunlop stated that members of the Western Addition community should have active participation in the Agency's budget process.

Commissioner Romero seconded Commissioner Dunlop's motion.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 38-2003, ADOPTING THE PROPOSED BUDGET FOR THE PERIOD JULY 1, 2003 THROUGH JUNE 30, 2004 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET TO THE MAYOR'S BUDGET OFFICE, BE ADOPTED.

Items 4 (f) and (g) were presented together

- 4 (f)** Resolution No. 39-2003, Authorizing a Tax Increment Loan Agreement with Mercy Housing California, a California nonprofit public benefit corporation, in an amount not to exceed \$5,275,514, subject to future appropriation of funds, for the acquisition, predevelopment, and construction of approximately 57 very low income family rental units at 227-255 Seventh Street (Batmale Site); South of Market Earthquake Recovery Redevelopment Project Area
- 4 (g)** Resolution No. 40-2003, Authorizing a Tax Increment Grant Agreement with San Francisco Medical Center Outpatient Improvement Programs, Inc. (commonly known as the South of Market Health Center), a California nonprofit public benefit corporation, in an amount not to exceed \$1,420,917, subject to appropriation of funds, for the acquisition, predevelopment, and construction of an approximately 20,000 square foot health clinic facility at 227-255 Seventh Street (Batmale Site); South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Sean Spear (Agency staff)

Speakers: Marty Cerles, Linda Bien, John Buss, Antoinetta Stadlman, John Gressman, Gladys Sandlin, Merle Malakoff, Angus McCarthy, Randall Evans, Charles Range

Commissioner Romero put forth a motion to adopt item 4 (f) and stated that he expected the project to receive unanimous support from the Agency Commission because it was a product of two excellent organizations, Mercy Housing and the South of Market Health Center. Mr. Romero stated that Charles Range always exercised good judgment and commended him for his dedicated work at the health center and for ably representing the South of Market Project Area Committee and the community in general.

Commissioner King seconded Commissioner Romero's motion to adopt item 4 (f) and stated that he often wondered how Mr. Charles Range operated the health center at its present location on an alley and in an area that seemed unsafe. Mr. King shared that he was at a rally in Sacramento and one of the things that was talked about was the importance of affordable public health in local communities. Mr. King stated that the health center project was the kind of project that merited the Agency's total support.

Commissioner Singh stated that the South of Market Health Center was a wonderful project and had his wholehearted support. Mr. Singh asked how many patients were served on a daily basis and how much was the health center's operating budget. Mr. Singh asked if the health center had an estimate of its future funding needs and if the Agency could provide funding for the health center's operating costs.

Mr. Charles Range from the South of Market Health Center informed the Commission that the health center served 75 to 150 patients a day and the current facility served over 5,000 patients annually. Mr. Range stated that the proposed new facility would serve 8,000 to 9,000 patients annually. Mr. Range stated that the health center's current operating budget was over two million dollars and the budget for the new facility had not yet been finalized and the health center was working with consultants to complete the financial analysis as part of the predevelopment process. Mr. Range stated that all of the current health services including dental would be transferred to the new facility and added that one of the services proposed to be included in the new facility was optometry services.

Executive Director Marcia Rosen stated that the Agency did not traditionally use redevelopment funds for the operations of a health center and staff was working closely with the consultants on the project's financial analysis. Ms. Rosen stated that one of the requirements for the disbursement of acquisition funds was the preparation of a fundraising plan for the health center and staff was confident that the health center's excellent track record would produce a viable economic plan.

Commissioner Yee stated that he agreed with his fellow Commissioners that the health center was a wonderful project and thanked the public for coming to the meeting. Mr. Yee commended Mr. Charles Range for his outstanding job at the South of Market Health Center. Mr. Yee stated that Mr. Randall Evans had a good suggestion about community representation for the Western Addition and it was the Agency's responsibility to assist all communities. Mr. Yee stated that he supported the public's suggestion for more housing units by maximizing the development density.

Commissioner Dunlop thanked and commended Mr. Range for his hard work and stated that he deserved the praises from the Commission. Mr. Dunlop thanked Mr. Angus McCarthy for bringing up the housing density issue and stated that the Agency would be looking to provide as much affordable housing as possible. Mr. Dunlop stated that he was pleased to see that staff was looking to include an Indian-American community center on the site.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 39-2003, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$5,275,514, SUBJECT TO FUTURE APPROPRIATION OF FUNDS, FOR THE ACQUISITION, PREDEVELOPMENT, AND CONSTRUCTION OF APPROXIMATELY 57 VERY LOW INCOME FAMILY RENTAL UNITS AT 227-255 SEVENTH STREET (BATMALE SITE); SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 40-2003, AUTHORIZING A TAX INCREMENT GRANT AGREEMENT WITH SAN FRANCISCO MEDICAL CENTER OUTPATIENT IMPROVEMENT PROGRAMS, INC. (COMMONLY KNOWN AS THE SOUTH OF MARKET HEALTH CENTER), A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,420,917, SUBJECT TO APPROPRIATION OF FUNDS, FOR THE ACQUISITION, PREDEVELOPMENT, AND CONSTRUCTION OF AN APPROXIMATELY 20,000 SQUARE FOOT HEALTH CLINIC FACILITY AT 227-255 SEVENTH STREET (BATMALE SITE); SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (h) Resolution No. 41-2003, Authorizing a First Amended Initial Operating Agreement with the Museum of the African Diaspora, a California non-profit public benefit corporation, to increase compensation in an amount not to exceed \$450,000 for a total aggregate amount of \$770,000, to fund start-up costs for an African American museum, located at the St. Regis Museum Tower Development on Parcel EB-2A at the southeast corner of Third and Mission Streets, Yerba Buena Center Redevelopment Project Area

Presenters: William Carney (Agency staff), Patricia Johnson (MoAD)

Speakers: Frankie Jacobs Gillette, Alma Robinson

Commissioner Singh stated that he missed the press conference where Patricia Johnson, the new Executive Director of the Museum of the African Diaspora was introduced and welcomed her to the Agency. Mr. Singh congratulated the museum board members and staff, in particular Bill Carney for their hard work on the project. Mr. Singh put forth a motion to adopt item 4 (h).

Commissioner King seconded Commissioner Singh's motion.

Commissioner Dunlop lent his support for the museum project and stated that he looked forward to the grand opening.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h)
RESOLUTION NO. 41-2003, AUTHORIZING A FIRST AMENDED INITIAL OPERATING AGREEMENT WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE COMPENSATION IN AN AMOUNT NOT TO EXCEED \$450,000 FOR A TOTAL AGGREGATE AMOUNT OF \$770,000, TO FUND START-UP COSTS FOR AN AFRICAN AMERICAN MUSEUM, LOCATED AT THE ST. REGIS MUSEUM TOWER DEVELOPMENT ON PARCEL EB-2A AT THE SOUTHEAST CORNER OF THIRD AND MISSION STREETS, YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (i) Resolution No. 42-2003, Approving Amendments to the Redevelopment Plans for the Golden Gateway, Rincon Point-South Beach, Western Addition A-2 and Yerba Buena Center Redevelopment Project Areas to implement Senate Bill 211 and Authorizing Transmittal to the Board of Supervisors of the City and County of San Francisco

Presenters: Bertha Ontiveros (Agency staff)

Speakers: Mary Helen Rogers, Randall Evans

President Sexton clarified that the Commission would be approving the redevelopment plan amendments for the four project areas and not the ordinances enacting SB 211. General Counsel Ontiveros affirmed.

President Sexton stated that the need for formal community representation in Western Addition was more evident in light of the public comments regarding SB 211, because if there had been consultation with the community, there would be more support for the matter.

Executive Director Marcia Rosen informed the Commission that staff was working on the community representation issue and a community meeting in Western Addition had been planned to specifically discuss the SB 211 amendment for Western Addition. Ms. Rosen reiterated that SB 211 would simply remove the January 2004 deadline to incur debt in Western Addition and the other three project areas that would allow the Agency to obligate funds to complete the work in the project areas. The SB 211 amendments would be beneficial to the project areas and would only remove the deadline for incurring debt and no other provisions of the redevelopment plans would change.

Commissioner Dunlop put forth a motion to adopt item 4 (i) and stated that having a project area committee in Western Addition was a good idea. Mr. Dunlop clarified that there was a community meeting scheduled to discuss the community representation issue. Mr. Dunlop assured the public that the SB 211 amendments would only benefit the project areas and the additional debt would only be used for the elimination of blight in the project areas.

Executive Director Rosen stated that the scheduled community meeting was to specifically discuss the proposed SB 211 amendment for Western Addition and staff was working on the community representation issue.

Commissioner Romero reminded everyone that the Commission previously conducted a workshop on the SB 211 amendments and stated that the proposed amendments would only benefit the project areas and allow the Agency to budget funds to complete the work and would not harm the communities within the project areas. Mr. Romero seconded Commissioner Dunlop's motion.

Commissioner King stated that he did not agree with the previous Commissioners' statements and that there was no need to approve the item that day because there had not been adequate community input and involvement. Mr. King put forth a motion to continue the matter until the community meeting was held. Mr. King pointed out that the redevelopment plan amendment process was a two-pronged process where the Commission

first approved the plan amendment and then the Board of Supervisors would act on the plan amendment.

Executive Director Rosen stated that the SB 211 amendment was a technical amendment that would simply remove the deadline for incurring debt and not a traditional redevelopment plan amendment that was lengthier. Ms. Rosen informed the Commission that the community meeting to discuss the proposed SB 211 amendment for Western Addition was scheduled for March 27th, which was after the next regular Commission meeting of March 25th.

Commissioner Yee seconded Commissioner King's motion to continue the item until the community meeting was held.

Commissioner Dunlop clarified that Commissioner King's motion was to delay action on the matter for three weeks until the Commission meeting of April 8th. Mr. Dunlop asked if there was a downside to delaying the matter for three weeks.

Commissioner King affirmed that his motion was to continue the matter for three weeks until the Commission meeting of April 8th.

Executive Director Rosen stated that once the Commission approved the matter, it would be sent to the Board of Supervisors for its scheduling and consideration and the delay might cause the matter to be caught-up in the City budget approval process.

Commissioner Dunlop stated that in light of the possible risk in delaying the matter for three weeks, he could not support the motion to delay action on the matter.

President Sexton stated that she was more concerned with the lack of community input than the three-week delay because there appeared to be adequate time to process the SB 211 amendments. Ms. Sexton added that there did not seem to be trust from the community at that time and the community meeting would do a great deal to garner support from the community.

Commissioner Romero stated that he did not have a problem supporting the delay and suggested that Western Addition be deleted from the resolution and to move forward with the other three project areas.

Executive Director Rosen stated that it would be better to approve and send all of the four project areas to the Board of Supervisors and suggested that the item could be approved by the Commission and not sent to the Board of Supervisors for scheduling until the community meeting had been held.

Commissioner Romero stated that he was uncomfortable with not taking any action on the matter and pointed out that the Commission was just making a recommendation to the Board of Supervisors to adopt the ordinances for the technical plan amendments and the public would have the opportunity to testify at the Board of Supervisors hearing if they had concerns.

Commissioner King stated that the Agency should have the support of the community on such an important matter and three weeks was not such a long time. Mr. King added that the Agency would need the whole community's support at the Board of Supervisors as it considers the Agency's budget during bad economic times.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, THAT ITEM 4 (i) RESOLUTION NO. 42-2003, APPROVING AMENDMENTS TO THE REDEVELOPMENT PLANS FOR THE GOLDEN GATEWAY, RINCON POINT-SOUTH BEACH, WESTERN ADDITION A-2 AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREAS TO IMPLEMENT SENATE BILL 211 AND AUTHORIZING TRANSMITTAL TO THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, BE CONTINUED TO THE COMMISSION MEETING OF APRIL 8, 2003, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Ms. Palamountain
Mr. Romero
Mr. Singh
Mr. Yee
Ms. Sexton

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SEVEN (7) AYES.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND THE MATTER WAS CONTINUED TO THE COMMISSION MEETING OF APRIL 8, 2003.

5. MATTERS NOT APPEARING ON THE AGENDA None.

**6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA,
BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers, Randall Evans, Dan Dodt

7. REPORT OF THE PRESIDENT

- President Sexton followed up with her earlier request for information regarding the Hunters Point Shipyard. Staff assured that a memorandum would be prepared and sent.

8. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Rosen encouraged the public to obtain copies of the Agency's proposed budget and pointed out that the budget included approximately \$15 million of tax increment monies allocated to Western Addition. Ms. Rosen responded to Mrs. Helen Rogers' questions about affordable housing budget allocations for Western Addition, and informed the Commission and the public that \$3.9 million was included in the Agency's budget for new affordable housing projects and that unspent funds from the previous budget year for affordable housing remained intact.

- Reported that so far, there were no adverse actions at the State legislature affecting redevelopment funding. The Senate Budget Committee held a hearing the previous week to discuss the State legislative analyst's new budget proposal to reduce redevelopment agencies' housing funds and replace with equal amounts from the Proposition 46 affordable housing bond, which was passed by the voters. The effect of the proposal would be a 25% reduction of new funds authorized by Proposition 46 and the Senate Budget Committee was not enthusiastic about the proposal and took no action.

The State Assembly Budget Committee held a joint hearing with the Housing and Community Development Committee on March 13th and heard three proposals: (1) the Governor's proposal to shift \$250 million next year from redevelopment agencies to the Educational Revenue Augmentation Fund (ERAF) to fund schools, (2) the Governor's proposal to shift low- and moderate-income housing funds from redevelopment agencies to school districts, and (3) the State legislative analyst's proposal to reduce redevelopment agencies' housing funds and replace with Proposition 46 housing bond funds. The Assembly Budget and Housing and Community Development Committee members were not receptive to any of the proposals and there seems to be a lot of support for redevelopment agencies in the State legislature and a

growing coalition of groups such as the California Building Industry Association, labor unions, affordable housing organizations, and other such entities. Ms. Rosen stated that everyone was being cautious as the State budget process evolved and it remained unknown how it would impact redevelopment agencies.

- Reported that the first public workshop for the Transbay Design for Development was held on March 13th where 65 to 70 people were in attendance.
- PIDC Board monthly meeting on March 24th at 6:00 p.m. in the Agency offices at 770 Golden Gate Avenue.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Yee stated that he had been a public servant for over 20 years in all levels of government and had never encountered accusations about his conduct. Mr. Yee referred to a San Francisco Sentinel article written by Commissioner Dunlop alleging improper conduct by Mr. Yee while serving as an Agency Commissioner. The article listed Commissioner Yee's position on nine enumerated items including (1) opposition to funding of housing for women living with HIV, (2) opposition to the purchase of land for Jewish Family and Children Services for battered women's shelter, (3) opposition to the building of Tutubi Park, a small children's playground and green area in the South of Market, (4) opposition to ethics reform of the Redevelopment Agency Commission required because of Commissioner Yee's actions, (5) opposition to community building grants to assist tenants in organizing, which grants were an integral part of the Agency's Housing Preservation Program, (6) opposition to the rehabilitation and management of the Plaza Hotel by TODCO, a nonprofit local developer, (7) violation of Redevelopment Agency Commission disclosure policy of developer contact where Commissioners are required to report contact with parties that have an interest in Commission actions and Mr. Yee reported no contact in 2002, (8) Mr. Yee was the subject of at least two Ethics Commission investigations and subpoenaed to testify, and (9) possible violation of FPPC reporting requirements of meetings with lobbyists or employees of developers.

Mr. Yee stated that the allegations in the article were misstatements, innuendos and lies. Mr. Yee asked staff to research the Agency's records on Commissioner Dunlop's allegations and prepare a response for the Commission. Mr. Yee stated that he would consult a lawyer to rebut the accusations because he was a fighter and an independent thinker and had never rubber-stamped any project and that all he wanted

to do was to serve the City. Mr. Yee shared that because of the article, the Board of Supervisors delayed action on the confirmation of his reappointment to the Agency Commission. Mr. Yee stated that his reappointment to the Agency Commission was not the important matter, but his desire to serve the community and City of San Francisco. Mr. Yee stated that he was saddened and personally hurt by the article because he thought that he had a good relationship with Commissioner Dunlop and shared that he and Mr. Dunlop had breakfast together and never thought that he would write such an article with wrongful accusations.

- Commissioner Palamountain stated that she was excited about the recent and ongoing progress in Western Addition with new initiatives including affordable housing developments and the energy that the Executive Director had brought to complete the unfinished agenda in the Western Addition, but had grown uncomfortable as time went on with the rather informal consultation with the community in the Western Addition. Ms. Palamountain requested a briefing or a memorandum regarding the history of formal community representation in Western Addition, including the PAC's history and an analysis of what formal representation would be appropriate given the present situation in Western Addition and asked if the memorandum could be prepared in the next three weeks.

Executive Director Rosen stated that a memorandum would be prepared for the Commission's information.

- Commissioner Dunlop agreed with Commissioner Palamountain's suggestion that staff prepare a memorandum regarding formal community representation in the Western Addition. Mr. Dunlop stated that the Commission meeting was not the appropriate forum to discuss Commissioner Yee's comments about the San Francisco Sentinel article and that it was not appropriate for staff to do research for Commissioner Yee.
- Commissioner Romero lent his support for Commissioner Palamountain's suggestion regarding formal community representation in the Western Addition. Mr. Romero stated that Agency staff always went out of their way to inform, advise and consult with all of the communities including the Western Addition and formal representation would provide credibility to the Agency's hard-working and dedicated staff. Mr. Romero stated that even with all of the consultations and meetings with the community there were still testimonies from the public, usually at the last minute, about not being informed or notified. Mr. Romero stated that at some point, formal or informal representation notwithstanding, the burden of responsibility should shift to members of

the community to actively participate and be informed about issues that affect their respective communities and would also provide accountability and responsibility for both sides.

- Commissioner King stated that the Western Addition should not be treated differently than other project areas and should have formal community representation and involvement from people from the community. Mr. King reminded everyone that Western Addition was one of the first project areas that caused many African-Americans to be displaced and the Agency must involve the community and solicit input from people affected by Agency actions.

10. CLOSED SESSION:

- (a) Pursuant to Government Code Section 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.
- (b) Pursuant to Government Code Section 54956.9(a): Conference with Legal Counsel regarding existing litigation: Smith v. Iglesias, et al. San Francisco Superior Court CGC-03-416785

11. ADJOURNMENT

It was moved by Mr. Romero, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:58 p.m.

Respectfully submitted,



Erwin R. Tanquario
Agency Secretary

APPROVED:

April 8, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF APRIL 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 8th day of April 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Michelle W. Sexton, President	
Ramon E. Romero, Vice-President	
Mark Dunlop (departed at 6:52 p.m.)	DOCUMENTS DEPT.
Leroy King	
Kathryn C. Palamountain	SEP 13 2007
Darshan Singh (arrived at 4:29 p.m.)	
Benny Y. Yee	SAN FRANCISCO PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY.**

Closed Session meeting held on March 18, 2003

2 (a) Pursuant to Government Code Section 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: Settlement Agreement for Mission Housing Development Corporation v. SMWM, et al. – San Francisco Superior Court Case Number 409999

Executive Director Marcia Rosen informed the Commission that the settlement agreement had not been finalized yet and would report to the Commission at the next meeting.

3. MATTERS OF UNFINISHED BUSINESS:

Item 3 (a) continued from the March 18, 2003 Commission Meeting

(a) Resolution No. 42-2003, Approving Amendments to the Embarcadero-Lower Market (Golden Gateway), Rincon Point-South Beach, Western Addition A-2 and Yerba Buena Center Redevelopment Plans to remove debt incurrence deadlines by adoption of an ordinance in accordance with Senate Bill 211 and Authorizing transmittal to the Board of Supervisors of the City and County of San Francisco

Presenters: Bertha A. Ontiveros (Agency staff)

Speakers: Mary Helen Rogers

Commissioner Yee asked why there were only two letters of support from the community.

Executive Director Rosen responded that Agency staff did not ask for letters of support from the community and the two letters from Ella Hill Hutch and Japantown Task Force came voluntarily.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT)
THAT ITEM 3 (a) RESOLUTION NO. 42-2003, APPROVING
AMENDMENTS TO THE EMBARCADERO-LOWER MARKET
(GOLDEN GATEWAY), RINCON POINT-SOUTH BEACH, WESTERN
ADDITION A-2 AND YERBA BUENA CENTER REDEVELOPMENT
PLANS TO REMOVE DEBT INCURRENCE DEADLINES BY
ADOPTION OF AN ORDINANCE IN ACCORDANCE WITH SENATE
BILL 211 AND AUTHORIZING TRANSMITTAL TO THE BOARD OF
SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, BE
ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of March 18, 2003

4 (b) Resolution No. 43-2003, Authorizing a Second Amendment to the Personal Services Contract with On Target Delivery Service, a sole proprietorship, to extend the contract term for three months and increase the total compensation by \$25,000 for an aggregate contract amount not to exceed \$245,000

4 (c) Resolution No. 44-2003, Authorizing a Third Amendment to the Personal Services Contract with McCoy's Patrol Service, a California corporation, for security services at the Hunters Point Shipyard to extend the contract term until December 31, 2003 and increase the Contract amount by \$130,000 for a total aggregate amount not to exceed \$530,000; Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF MARCH 18, 2003, 4 (b) RESOLUTION NO. 43-2003, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH ON TARGET DELIVERY SERVICE, A SOLE PROPRIETORSHIP, TO EXTEND THE CONTRACT TERM FOR THREE MONTHS AND INCREASE THE TOTAL COMPENSATION BY \$25,000 FOR AN AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$245,000, AND 4 (c) RESOLUTION NO. 44-2003, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, FOR SECURITY SERVICES AT THE HUNTERS POINT SHIPYARD TO EXTEND THE CONTRACT TERM UNTIL DECEMBER 31, 2003 AND INCREASE THE CONTRACT AMOUNT BY \$130,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$530,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

Items 8 (a), 4 (d), (e), (f), and (g) were presented together.

8 (a) Quarterly Report from the Public Initiatives Development Corporation, a California non-profit public benefit corporation, on the development status of the Plaza Hotel Replacement Project, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Olson Lee (PIDC staff)

4 (d) Resolution No. 45-2003, Conditionally Approving the Schematic Design for the Plaza Hotel development located at 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Elena Branick (Agency staff), Paulett Taggart, Richard Stacy (architects)

4 (e) Resolution No. 46-2003, Approving the Replacement Housing Plan for the Plaza Hotel, a 37-unit single room occupancy hotel at 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

4 (f) Resolution No. 47-2003, Authorizing a First Amendment to the Tax Increment Affordable Housing Program Predevelopment Loan Agreement with Public Initiatives Development Corporation, a California nonprofit public benefit corporation, to increase the loan amount by \$1,189,639, for a total aggregate amount not to exceed \$1,689,639, for the predevelopment and construction of 106 very low-income rental units, ground floor commercial space and the replacement of Bindlestiff Studio, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

4 (g) Resolution No. 48-2003, Approving the Relocation Plan and the Relocation Budget in an amount not to exceed \$950,000 for the existing 37-unit single room occupancy hotel, commercial space and Bindlestiff Studio at the Plaza Hotel, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

Speakers: Mary Helen Rogers, James L. Collins, Randall Evans

Commissioner Dunlop put forth a motion to adopt item 4 (d) and thanked staff for its hard work and tremendous skills in putting together the Plaza Hotel project. Mr. Dunlop stated that it was good to hear from Mr. James Collins (a former resident of the Plaza Hotel) about staff's good work. Mr. Dunlop inquired about the relocation process and asked how many more residents remain in the Plaza Hotel and when would the relocation of all tenants be completed.

Ms. Bettye Webb, Agency Relocation Supervisor, informed the Commission that 15 tenants had been relocated to the SOMA Studio and 14 tenants had been approved by TODCO to relocate to the Delta Hotel upon completion. Ms. Webb stated that staff extended the marketing for tenants to apply at the Delta Hotel and Eighth and Howard projects and for one senior tenant to the Alexis Apartments. Ms. Webb stated that there were still 12 residential tenants that were in need of relocation assistance. Ms. Webb stated that the demolition of the Plaza Hotel was scheduled for December 2003 and staff anticipated that all of the tenants would be relocated by October or November 2003.

Executive Director Rosen complimented Ms. Webb's hands-on approach in the relocation of the Plaza Hotel tenants. Ms. Rosen reminded the Commission that the Eighth and Howard project was an Agency-sponsored affordable housing project of studio apartments with bathrooms and kitchenettes and the Delta Hotel rehabilitation was almost complete.

Commissioner Dunlop expressed some concern with the corner element of the proposed building and stated that he was not comfortable with the sterile and flat design, but appreciated that the project would provide good and decent living space that was affordable and serve the needy. Mr. Dunlop added that palm trees did not seem appropriate for the project.

Commissioner Palamountain seconded Commissioner Dunlop's motion to adopt item 4 (d) and thanked Ms. Webb for her hard work and for achieving a consumer-friendly approach to the relocation of the tenants. Ms. Palamountain thanked Mr. James Collins for his involvement and hard work on the Sixth Street Agenda. Ms. Palamountain asked if the relocation assistance of \$20,000 for commercial tenants was the maximum amount or what could be documented.

Ms. Webb responded that \$20,000 was the maximum, fixed amount for commercial tenant relocation or what could be documented by the tenant. Ms. Webb added that staff would document the tenant's actual move.

Commissioner Palamountain stated that she had concerns about the financing of the Bindlestiff Studio and asked if the proposed 99-seat theater would be overly expensive and how much funding commitment was necessary from the Agency Commission. Ms. Palamountain suggested a workshop on the Bindlestiff Studio prior to the scheduled Commission consideration of the financing in September. Ms. Palamountain thanked staff for its hard work and dedication to the Plaza Hotel project.

Mr. Richard Stacy, the project architect, stated that the proposed 99-seat theater space would not be overly expensive because the current configuration for the theater was a flexible space.

Commissioner Singh commended Mr. Olson Lee and the Public Initiatives Development Corporation (PIDC) staff for their excellent work on the Plaza Hotel. Mr. Singh asked if staff consulted with the Bindlestiff Studio because he noticed that there was no one from Bindlestiff Studio in attendance at the meeting. Mr. Singh recalled that the initial proposal for the Plaza Hotel was to develop 115 units and asked why there were only 106 units proposed. Mr. Singh asked if the existing 36 tenants would come back to the new Plaza Hotel and would the remaining units be marketed to the larger San Francisco population.

Mr. Olson Lee, Assistant Deputy Executive Director for Housing, responded that staff had consulted and continued to consult with the Bindlestiff Studio and kept them informed as well as provided assistance in the design of the theater. Mr. Lee stated that the reduction in the number of units from 115 to 106 allowed for the development of larger units with bathrooms and kitchenettes while maintaining the same size building envelope. Mr. Lee added that increasing the number of units would sacrifice space for the amenities such as the common recreation and laundry areas. Mr. Lee informed the Commission that some of the relocated tenants may choose to stay at the Eighth and Howard or Delta Hotel projects and the units would be marketed to income-eligible people within the South of Market area as well as citywide. Staff also anticipated a lottery of Section 8 certificate holders.

Commissioner Romero shared that he also serves on the PIDC board and commended staff for the hard work and dedication to the Plaza Hotel project. Mr. Romero stated that he liked the building design and that it was attractive and functional at the same time providing good and decent affordable housing. Mr. Romero recalled that the whole Plaza Hotel project including the Bindlestiff Studio has experienced a two-year delay and that the theater had tremendous support from the Commission two years ago and stated that the Agency should not spend one penny less on the theater project than two years ago. Mr. Romero stated that he did not want the theater to be penalized for the delay and staff should work with the Bindlestiff Studio to ensure that the project is successful. Mr. Romero stated that the Filipino-American community did not have a voice in the project and that he would ensure that it did have a voice this time around.

Commissioner Yee stated the proposed project was a wonderful project, one that the Agency had never undertaken before. Mr. Yee stated that he was proud that the Agency had the opportunity to develop affordable housing itself and that he felt good about staff's skills and dedicated hard work on the project. Mr. Yee agreed with Commissioner Singh's comments about the reduced number of units and asked for additional explanation.

Executive Director Rosen stated that the Commission's direction was premised upon preliminary numbers and staff looked into accommodating not only a larger theater space and retail space, but also the maximum number of affordable housing units with the desired amenities to provide a higher quality of life for the tenants.

Commissioner Yee commended the two Commissioners who serve on the PIDC board and stated that he respected and admired their efforts and hard work on the Plaza Hotel project. Mr. Yee agreed with Commissioner Romero's statements about the Bindlestiff Studio and stated that he supported a new, larger and better space for the theater.

Commissioner King stated that staff did a good job on the Plaza Hotel and he was confident that the whole Commission supported the project. Mr. King thanked staff and congratulated them on a job well done.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 45-2003, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE PLAZA HOTEL DEVELOPMENT LOCATED AT 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 46-2003, APPROVING THE REPLACEMENT HOUSING PLAN FOR THE PLAZA HOTEL, A 37-UNIT SINGLE ROOM OCCUPANCY HOTEL AT 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 47-2003, AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT AFFORDABLE HOUSING PROGRAM PREDEVELOPMENT LOAN AGREEMENT WITH PUBLIC INITIATIVES DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE LOAN AMOUNT BY \$1,189,639, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,689,639, FOR THE PREDEVELOPMENT AND CONSTRUCTION OF 106 VERY LOW-INCOME RENTAL UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIO, 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 48-2003, APPROVING THE RELOCATION PLAN AND THE RELOCATION BUDGET IN AN AMOUNT NOT TO EXCEED \$950,000 FOR THE EXISTING 37-UNIT SINGLE ROOM OCCUPANCY HOTEL, COMMERCIAL SPACE AND BINDLESTIFF STUDIO AT THE PLAZA HOTEL, 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (h) Public hearings on the five-year implementation plans for the Golden Gateway, Hunters Point, India Basin Industrial Park, Mission Bay North, Mission Bay South, Rincon Point-South Beach, South of Market, Western Addition A-2 and Yerba Buena Center redevelopment project areas

Presenters: Joanne Sakai (Agency staff)

Speakers: Randall Evans

Commissioner Singh asked staff to look into Mr. Randall Evans' comments about official community representation for the Western Addition.

Commissioner Yee stated that he was impressed with Ms. Joanne Sakai's outstanding presentation and was even more impressed with the enumerated accomplishments of the Agency in the various redevelopment project areas and requested a transcript of Ms. Sakai's presentation.

4 (i) Resolution No. 49-2003, Commending and expressing appreciation to June Bartholomew for many years of dedicated service upon her departure from the Redevelopment Agency of the City and County of San Francisco

Presenters: Marcia Rosen (Agency staff)

Commissioner Dunlop thanked Ms. June Bartholomew for her dedicated service to the Agency and stated that he was amazed and impressed with Ms. Bartholomew's hard work. Mr. Dunlop stated that it was always hard to lose a good worker and wished Ms. Bartholomew good luck.

Commissioner Palamountain stated that she was impressed with Ms. Bartholomew's attention to details, particularly with the Rincon Point park project. Ms. Palamountain thanked Ms. Bartholomew for her hard work and wished her well.

Commissioner Romero thanked Ms. Bartholomew for her years of service and hard work and remarked that Ms. Bartholomew exhibited the skills of a seasoned professional for someone that looked so young.

President Sexton commended Ms. Bartholomew's dedicated hard work and stated that it was a pleasure to work with Ms. Bartholomew.

Ms. Bartholomew addressed the Commission and thanked the Commissioners for their kind words and shared that her time at the Agency had been pleasurable and that she had grown with the experience and appreciated the opportunity to work on Agency projects that benefited all of

San Francisco. Ms. Bartholomew thanked property management staff for the hard work and informed the Commission that she would be spending more time with her family.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 49-2003, COMMENDING AND EXPRESSING APPRECIATION TO JUNE BARTHOLOMEW FOR MANY YEARS OF DEDICATED SERVICE UPON HER DEPARTURE FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- David Burnett, Randall Evans, Michael Vanderhorst, Charles Range

7. REPORT OF THE PRESIDENT

- President Sexton commended staff for doing a great job on the Agency's important work and expressed her appreciation for staff's hard work.

8. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Rosen shared President Sexton's kind words for staff and also complimented staff for the dedication and commitment to the Agency's mission.

- Opening of Ocean Beach Apartments held on April 3rd.
- Informational memorandum regarding the Fillmore Bridge Artwork project – the scheduled completion for April was delayed until May and staff was in constant contact with the Art Commission staff, who would be available at the April 15th meeting if the Commission had questions.
- Monthly report on the Fillmore Jazz Preservation District – visited the area regularly and met with the Director of the San Francisco Jazz Festival at the new Promotions Office. Steady progress was being made.

- Staff has committed to conducting monthly community meetings to discuss formal community representation in Western Addition in addition to meetings held by Senior Project Manager Shirley Wysinger on specific issues. An informational memorandum on public participation in Western Addition would be prepared by the end of the week and provided to the Commission with staff recommendations.
- Inter-agency planning meeting for the Bayview Hunters Point Town Center project with the School District, Department of Public Works, Bayview Opera House, the Planning Department and other stakeholders. Recreation and Park Department public meeting to be held in the Joseph Lee Recreation Center, 1395 Mendell Street on April 9th from 6:00 to 8:00 p.m.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Singh asked the Executive Director about Mr. Dave Burnett's comments regarding proposed development of the tennis and swimming pool area in the Golden Gateway project. Mr. Singh asked if the Agency had jurisdiction in the Golden Gateway project and requested staff to prepare an informational memorandum.

Executive Director Rosen stated that the Golden Gateway redevelopment plan had expired and the Agency no longer had jurisdiction but the Department of City Planning and/or the Planning Commission now had jurisdiction over the project area. Ms. Rosen stated that staff would prepare an informational memorandum for the Commission's consideration.

- Commissioner Singh inquired about the status of the Juneteenth Festival matter that Mr. Randall Evans asked about.

Executive Director Rosen stated that the Commission was provided with an informational memorandum about the RFP process for the Juneteenth Festival and that the deadline for responses was on March 31st at noon. Staff received two timely and complete responses and had conducted interviews and would have a recommendation to the Commission at its April 15th Commission meeting.

- Commissioner Singh commended Ms. Shirley Wysinger for her hard work and dedication.
- Commissioner King asked for clarification about an informational memorandum from the Agency General Counsel regarding legal advice for Commissioners.

Executive Director Rosen stated that the informational memorandum was in response to one Commissioner's request for the Agency to pay for legal representation regarding an investigation by the Ethics Commission. Ms. Rosen pointed out that the request from the one Commissioner had been withdrawn, but when the request was pending, staff wanted to provide the Commission with the legal standards for such a request.

- Commissioner King stated that he understood and that he did not make the request. Mr. King pointed out that the Agency Commission was not a city-chartered Commission and questioned whether it would come under the jurisdiction of the Ethics Commission.
- Commissioner Yee thanked his fellow Commissioners and Agency staff for their support on the confirmation of his reappointment to the Agency Commission by the Board of Supervisors. Mr. Yee stated that the Agency must focus on the important work ahead and maintain a harmonious relationship among the Commissioners. Mr. Yee requested staff to prepare a list of all non-profit project sponsors with the number of units and bedroom count, plus total project costs including amounts of Agency subsidies as well as predevelopment costs, and starting and completion dates for the housing projects.

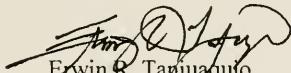
10. CLOSED SESSION:

- (a) Pursuant to Government Code §54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is located at 720 Howard Street, Parcels 100 Vera; Yerba Buena Center Project Area and the owner of the property with whom the Agency may negotiate with is Walter and Patricia Curd dba Clouds Restaurant. Agency negotiators: June Bartholomew, Bill Carney and Ayisha Benham
- (b) Pursuant to Government Code §54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is located at 730 Howard Street, Parcels 100 Vera; Yerba Buena Center Project Area and the owner of the property with whom the Agency may negotiate with is Starbucks. Agency negotiators: June Bartholomew, Bill Carney and Ayisha Benham
- (c) Pursuant to Government Code §54956.9(b): Conference with Legal Counsel regarding anticipated litigation: two potential cases.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:05 p.m.

Respectfully submitted,


Erwin R. Taguaoquo
Agency Secretary

APPROVED:

April 29, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF APRIL 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15th day of April 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:10 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting. Ms. Sexton announced that there was an overflow room in Room 400.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop (arrived at 4:10 p.m.)
Kathryn C. Palamountain (arrived at 4:12 p.m. and departed at 6:23 p.m.)
Darshan Singh (arrived at 4:05 p.m.)
Benny Y. Yee (arrived at 4:27 p.m.)

DOCUMENTS DEPT.

And the following were absent:

SEP 13 2007

Leroy King

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY.**

Closed Session meeting held on March 18, 2003

2 (a) Pursuant to Government Code Section 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: Settlement Agreement for Mission Housing Development Corporation v. SMWM, et al. – San Francisco Superior Court Case Number 409999

Executive Director Marcia Rosen informed the Commission that the settlement agreement had been finalized but the documents had not yet been executed and she would report to the Commission when they are executed.

3. **MATTERS OF UNFINISHED BUSINESS:** None

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Resolution No. 50-2003, Authorizing reprogramming of the expenditure of \$500,000 to establish an Agency Surety Bond Program Guarantee Account to provide construction bond and loan guarantees for Agency projects to supplement the Citywide Surety Bond Program Guarantee Pool administered by the Human Rights Commission of the City and County of San Francisco

4 (b) Resolution No. 51-2003, Authorizing Ayisha J. Benham, Deputy Executive Director, Finance and Administration, to attend the 2003 Government Finance Officers Association Annual Conference on May 18 - 21, 2003 in New York, New York, at a cost not to exceed \$2,800.00

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MS. PALAMOUNTAIN, AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a), RESOLUTION NO. 50-2003, AUTHORIZING REPROGRAMMING OF THE EXPENDITURE OF \$500,000 TO ESTABLISH AN AGENCY SURETY BOND PROGRAM GUARANTEE ACCOUNT TO PROVIDE CONSTRUCTION BOND AND LOAN GUARANTEES FOR AGENCY PROJECTS TO SUPPLEMENT THE CITYWIDE SURETY BOND PROGRAM GUARANTEE POOL ADMINISTERED BY THE HUMAN RIGHTS COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, AND 4 (b) RESOLUTION NO. 51-2003, AUTHORIZING AYISHA J. BENHAM, DEPUTY EXECUTIVE DIRECTOR, FINANCE AND ADMINISTRATION, TO ATTEND THE 2003 GOVERNMENT FINANCE OFFICERS ASSOCIATION ANNUAL CONFERENCE ON MAY 18 - 21, 2003 IN NEW YORK, NEW YORK, AT A COST NOT TO EXCEED \$2,800.00 BE ADOPTED.

REGULAR AGENDA

4 (c) Resolution No. 52-2003, Authorizing a Grant Agreement with the San Francisco Juneteenth Festival Committee in an aggregate grant amount not to exceed \$125,000 to produce and manage years 2003-2005 San Francisco Juneteenth Festival and Authorizing the Executive Director to enter into a Personal Services Contract with Agape, Inc., a California nonprofit public benefit corporation, to serve as fiscal agent to the Committee; Western Addition A-2 Redevelopment Project Area

Presenters: Shirley Wysinger (Agency staff)

Speakers: Mary Helen Rogers, Mario L. Rogers, Dexter Woods, Bobby Webb, Kimberly Scally, Randall Evans, Robin Evans, Asha Buhati, Vanessa Nelson, Laimont D. Daniels, Michael Vanderhorst, Joe Tasby, Sam Seiba'a, Saundra Mayo, Louis Garrett, Rev. Ted Frazier, Derf Butler, Lynnette A. White, Michael Jeter, Kevin Jefferson, Carmen Johnson, Obeyjah, Michael Brown, Thurman Holmes, Doris Rowe, Minerva A. Dunn, Francisco Da Costa, Espanola Jackson, Essie Collins, Mel Simmons, Bobby Miller

Commissioner Dunlop put forth a motion to adopt item 4 (c). Mr. Dunlop stated that the rules and procedures of the RFP were intended to provide a fair process and that there would be other opportunities for Mr. Bobby Webb. Mr. Dunlop thanked staff for the hard work and recalled that former Commissioner Lynette Sweet had commented five years ago that maybe the Agency should not be funding the event. Mr. Dunlop stated that he hoped that the community would come together for the common cause and looked forward to attending the event.

Commissioner Romero seconded Commissioner Dunlop's motion.

Commissioner Yee stated that the public had expressed its sentiment about the matter and the decision was up to the Commission. Mr. Yee stated that staff was recommending one of the two submittals, but it was the Commission's decision to select whichever group it wanted to. Mr. Yee stated that he wanted to hear from the community and felt that Juneteenth was a wonderful event and it should continue and prosper for many years to come. Mr. Yee stated that he was not certain as to how he would vote on staff's recommendation because he was the only Commissioner that did not rubber-stamp staff's recommendations. Mr. Yee stated that he hoped that the community would come and work together on the Juneteenth event.

Commissioner Singh stated that it was hard for him to make a decision on the matter. Mr. Singh shared that he attended last year's festival and thought that it was a wonderful event and he planned on attending this year's Juneteenth festival.

Commissioner Palamountain expressed her respect for both Mr. Bobby Webb and Mrs. Mary Rogers and their respective committees. Ms. Palamountain stated that the focus in the Western Addition should be completing the 'unfinished agenda' and to accomplish that, the community's support and wisdom was necessary. Ms. Palamountain stated her support for staff's recommendation and agreed with Commissioner Dunlop's statements about the fairness of the selection process. Ms. Palamountain stated that she hoped the community would come together because the community needed everybody's best efforts.

President Sexton stated that she supported staff's recommendation and thanked staff for the hard work. Ms. Sexton stated that the selection process had been a public process and procedures must be followed in order to be fair to all concerned. Ms. Sexton stated that Juneteenth was a wonderful event and that she had previously participated in the parade and the event was great for the community. Ms. Sexton stated that she hoped that the community would work and come together on an important event like Juneteenth.

Commissioner Singh stated that he also supported staff's recommendation.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (c), RESOLUTION NO. 52-2003, AUTHORIZING A GRANT AGREEMENT WITH THE SAN FRANCISCO JUNETEENTH FESTIVAL COMMITTEE IN AN AGGREGATE GRANT AMOUNT NOT TO EXCEED \$125,000 TO PRODUCE AND MANAGE YEARS 2003-2005 SAN FRANCISCO JUNETEENTH FESTIVAL AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A PERSONAL SERVICES CONTRACT WITH AGAPE, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO SERVE AS FISCAL AGENT TO THE COMMITTEE; WESTERN ADDITION A-2 REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS

- Mary Webb, Jackie Norman, Mary Helen Rogers, Fay and Murray T. Callier II, Francisco Da Costa, Randall Evans, LaRonda Smith, Andrew Bozeman, Carmen Johnson, Espanola Jackson

7. REPORT OF THE PRESIDENT

- President Sexton shared that Commissioner King was home ill and wished him a speedy recovery.
- President Sexton thanked staff for the informational memorandum on the Hunters Point Shipyard CAC comments and questions.

8. REPORT OF THE EXECUTIVE DIRECTOR

8 (a) Costs for providing two years additional PERS service credit

- Informational memorandum on the Fillmore Bridge artwork including digital photographs of the artwork scheduled to be completed on May 2nd. Ms. Rosen acknowledged the presence of Ms. Nina Dunbar from the Art Commission.
- Opening of the Fillmore Jazz Preservation District's Promotions Office on April 30th, 6:00 to 8:30 p.m. at the West Bay conference center, 1286 Fillmore Street at Eddy.
- Second Transbay Design for Development public workshop on May 1st, 5:00 to 8:30 p.m. at the Yerba Buena Center for the Arts, 701 Mission Street.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Palamountain thanked staff for preparing the informational memorandum on public participation in Western Addition and asked if the Commission needed to take action to implement staff's recommendation.

Executive Director Rosen informed the Commission that the informational memorandum had been distributed to organizations in Western Addition and the matter would be discussed at the next scheduled community meeting on April 24th at 6:00 p.m. in the West Bay conference center. Ms. Rosen stated

that no formal action by the Commission was necessary and noted that Mayor Brown had been apprised of the process and staff would continue discussions with the community and would report back to the Commission.

- Commissioner Palamountain shared that she saw Executive Director Rosen's photograph in the Bay Area section of the San Francisco Chronicle regarding the Fillmore Bridge artwork project and asked if the previously reported schedule for completion was still on time.

Executive Director Rosen stated that the artwork project was scheduled to complete on May 2nd barring rain delays and the glass panels were going to be installed on April 16th. Agency architect Thomas Ma showed the Commission a piece of the glass panel to be installed.

- Commissioner Singh asked Mr. Olson Lee if the Agency could assist Mr. Murray Callier regarding his promissory note with the Agency.

Mr. Olson Lee informed the Commission that Mr. Callier's letter was staff's investigation of the promissory note between Mr. Callier and his wife and the Agency and the agreement was executed over 20 years ago and staff's role was to administer the agreement. Staff did not have the authority to modify the terms or the amounts of the agreement.

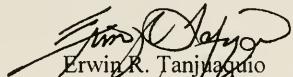
10. CLOSED SESSION:

- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Assessor's Block 761, Lot 26, located at 837 Turk Street within the Western Addition A-2 Redevelopment Project Area and the party with whom the Agency may negotiate is Jerry Lynch. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, Kate Hartley, and Shirley Wysinger.
- (b) Pursuant to Government Code § 54957.6 to instruct Agency's designated representatives to negotiate with San Francisco Redevelopment Employees Association (Professional/ Technical Unit). Agency negotiators: Marcia Rosen, Ayisha Benham and Ora Meacham.
- (c) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding Conveyance of Hunters Point Naval Shipyard; Hunters Point Shipyard Redevelopment Project Area. Agency/City Negotiators: Marcia Rosen, Jesse Blout, Joanne Sakai, Don Capobres and Michael Cohen.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:29 p.m.

Respectfully submitted,



Erwin R. Tanjuaqio
Agency Secretary

APPROVED:

April 22, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF APRIL 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 22nd day of April 2003, at the place and date duly established for holding of such a meeting.

Acting President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

SEP 13 2007

Michelle W. Sexton, President

SAN FRANCISCO
PUBLIC LIBRARY

Ayisha Benham, Acting Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY.** None

3. MATTERS OF UNFINISHED BUSINESS: None

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meetings of April 8, and 15, 2003
- 4 (b) Resolution No. 53-2003, Authorizing a First Amendment to the Housing Opportunities for Persons With AIDS Capital Loan Agreement with West Hotel SRO, Inc., a California non-profit public benefit corporation, to revise the rehabilitation commencement date and revise related exhibits for the rehabilitation of the West Hotel located at 145 Eddy Street
- 4 (c) Resolution No. 54-2003, Authorizing an Agreement for transfer of real estate with 1169 Market Street, L.P., a California limited partnership, for the sale of real property located at the remaining end of vacated Jessie Street, Assessor's Block 3702 at the fair market value of \$158,940; Mid-Market Redevelopment Survey Area
- 4 (d) Resolution No. 55-2003, Authorizing Edmund W. Ong, Architecture and Engineering Supervisor, to attend the National Conference of the American Institute of Architects in San Diego, CA on May 7-11, 2003 at a cost not to exceed \$1,400
- 4 (e) Resolution No. 56-2003, Authorizing a Fourth Amendment to the Disposition and Development Agreement with Site X Development Associates, LLC, a California limited liability company, and Habitat for Humanity San Francisco, a California nonprofit public benefit corporation; to extend the schedule of performance by five months and amend certain development requirements; Hunters Point Redevelopment Project Area

Commissioner Palamountain requested that item 4 (a), approval of the April 8th minutes be withdrawn from the consent agenda. Ms. Palamountain put forth a motion to adopt the remaining items on the consent agenda.

Commissioner Dunlop seconded Commissioner Palamountain's motion.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT CONSENT AGENDA ITEMS 4 (b) RESOLUTION NO. 53-2003, AUTHORIZING A FIRST AMENDMENT TO THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS CAPITAL LOAN AGREEMENT WITH WEST HOTEL SRO, INC., A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, TO REVISE THE REHABILITATION COMMENCEMENT DATE AND REVISE RELATED EXHIBITS FOR THE REHABILITATION OF THE WEST HOTEL LOCATED AT 145 EDDY STREET, 4 (c) RESOLUTION NO. 54-2003, AUTHORIZING AN AGREEMENT FOR TRANSFER OF REAL ESTATE WITH 1169 MARKET STREET, L.P., A CALIFORNIA

LIMITED PARTNERSHIP, FOR THE SALE OF REAL PROPERTY LOCATED AT THE REMAINING END OF VACATED JESSIE STREET, ASSESSOR'S BLOCK 3702 AT THE FAIR MARKET VALUE OF \$158,940; MID-MARKET REDEVELOPMENT SURVEY AREA, 4 (d) RESOLUTION NO. 55-2003, AUTHORIZING EDMUND W. ONG, ARCHITECTURE AND ENGINEERING SUPERVISOR, TO ATTEND THE NATIONAL CONFERENCE OF THE AMERICAN INSTITUTE OF ARCHITECTS IN SAN DIEGO, CA ON MAY 7-11, 2003 AT A COST NOT TO EXCEED \$1,400, AND 4 (e) RESOLUTION NO. 56-2003, AUTHORIZING A FOURTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH SITE X DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND HABITAT FOR HUMANITY SAN FRANCISCO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION; TO EXTEND THE SCHEDULE OF PERFORMANCE BY FIVE MONTHS AND AMEND CERTAIN DEVELOPMENT REQUIREMENTS; HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Commissioner Palamountain requested a revision on the April 8th minutes, specifically on page five, fourth paragraph, to clarify Ms. Bettye Webb's response to her question regarding the maximum amount of relocation for commercial tenants in the Plaza Hotel.

Agency Secretary Erwin R. Tanjuaquio stated that he would review the audiocassette tape of the April 8th meeting, consult with Ms. Webb and submit revised minutes for the Commission meeting of April 8th.

Commissioner Palamountain put forth a motion to adopt item 4 (a), approval of the April 15th minutes. Commissioner Dunlop seconded the motion.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF APRIL 15, 2003, BE ADOPTED.

REGULAR AGENDA

Items 4 (f), (g) and (h) were presented together.

4 (f) Resolution No. 57-2003, Conditionally Approving the amended schematic design for Mission Creek Senior Housing, located at 201 Berry Street (Parcel 1 of Block N3A); Mission Bay North Redevelopment Project Area

- 4 (g) Resolution No. 58-2003, Authorizing a First Amendment to the Mission Bay North Housing Loan Agreement in the amount of \$752,990 for a total amount not to exceed \$2,719,505 to Mercy Housing California, a California nonprofit public benefit corporation, for the development of 140 units of very low income senior rental housing at 201 Berry Street (Parcel 1 of Block N3a); Mission Bay North Redevelopment Project Area
- 4 (h) Resolution No. 59-2003, Authorizing a Second Amendment with Mercy Housing California, a California nonprofit, public benefit corporation to extend the term for five months to December 31, 2003, for negotiating a lease and development agreement for the development of Mission Creek Senior Housing, 201 Berry Street (Parcel 1, Block N3a); Mission Bay North Redevelopment Project Area

Presenters: Pam Sims, Thomas Ma (Agency staff), Tom Brutting, Adele Santos (architects)

Commissioner Palamountain put forth a motion to adopt item 4 (f) and expressed her feeling that the building bar facing the mews could use some more work on the bulk of the building. Ms. Palamountain specifically pointed to the middle section of the building that previously had two stories that were glass-enclosed, and the new design showed four stories that seemed very bulky.

Commissioner Dunlop seconded Commissioner Palamountain's motion to adopt item 4 (f). Mr. Dunlop asked if staff had looked at increasing the number of housing units, either affordable or market-rate, since the proposed non-profit office space was removed from the development scope.

Ms. Pam Sims stated that under the Owner Participation Agreement with Cattellus, affordable housing units would be dispersed throughout the Mission Bay project area and the particular site for the Mission Creek Senior, which was designated for affordable housing development had the maximum housing density of 140 housing units.

Commissioner Dunlop expressed concerns with the loss of the non-profit office space and asked if the Agency had provisions to avoid future losses of such non-profit office space. Mr. Dunlop shared architectural staff's design concerns with the bulk of the building and thanked staff for the hard work.

Ms. Sims stated that there were other housing development sites in Mission Bay that were proposed to include non-profit office space so there would definitely be other opportunities.

Acting President Romero stated that he shared Commissioner Palamountain's concerns with the building's new design and felt that the previous design was more attractive. Mr. Romero stated that he would support the project.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (f) , RESOLUTION NO. 57-2003, CONDITIONALLY APPROVING THE AMENDED SCHEMATIC DESIGN FOR MISSION CREEK SENIOR HOUSING, LOCATED AT 201 BERRY STREET (PARCEL 1 OF BLOCK N3A); MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 58-2003, AUTHORIZING A FIRST AMENDMENT TO THE MISSION BAY NORTH HOUSING LOAN AGREEMENT IN THE AMOUNT OF \$752,990 FOR A TOTAL AMOUNT NOT TO EXCEED \$2,719,505 TO MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF 140 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AT 201 BERRY STREET (PARCEL 1 OF BLOCK N3A); MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOTPED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 59-2003, AUTHORIZING A SECOND AMENDMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT, PUBLIC BENEFIT CORPORATION TO EXTEND THE TERM FOR FIVE MONTHS TO DECEMBER 31, 2003, FOR NEGOTIATING A LEASE AND DEVELOPMENT AGREEMENT FOR THE DEVELOPMENT OF MISSION CREEK SENIOR HOUSING, 201 BERRY STREET (PARCEL 1, BLOCK N3A); MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (i) Resolution No. 60-2003, Awarding Contract and Authorizing Construction Contract with Valentine Corporation, a California corporation, in an amount not to exceed \$77,369 for South Beach Harbor baffle wall/deck repairs; Rincon Point-South Beach Redevelopment Project Area

Presenters: Jim Nybakken, Su-Syin Chou (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 60-2003, AWARDING CONTRACT AND AUTHORIZING CONSTRUCTION CONTRACT WITH VALENTINE CORPORATION, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$77,369 FOR SOUTH BEACH HARBOR BAFFLE WALL/DECK REPAIRS; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. **REPORT OF THE PRESIDENT**

- Acting President Romero stated that he was happy to attempt to fill the shoes of the Agency Commission's esteemed President, Michelle Sexton.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

Acting Executive Director Ayisha Benham reported on the following items:

- Monthly community meeting in Western Addition – April 24th from 6:00 to 8:00 p.m. in the West Bay Conference Center, 1290 Fillmore Street.
- The Board of Supervisors approved transfer of the MUNI substation to the Agency on April 22nd.
- Second Transbay Design for Development public workshop on May 1st, 5:00 to 8:30 p.m. at the Yerba Buena Center for the Arts, 701 Mission Street.
- Informational memorandum regarding the proposed Hunters Point Shipyard Development Authority, AB 1187.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

- Commissioner King stated that he wanted to know more about the informational memorandum on the proposed Hunters Point Shipyard Development Authority and why Agency staff testified before the Board of Supervisors' Land Use Committee without the Commission's direction. Mr. King shared that he saw the Land Use Committee meeting on television and was surprised to hear about the proposed legislation to take over the Hunters Point Shipyard because the Commission had not taken a position on the matter.

Acting Executive Director Benham informed the Commission that one Commissioner requested the information and staff simply provided the information to the Commission.

Joanne Sakai, Deputy Executive Director for Housing and Community Development, informed the Commission that a resolution was introduced at the Board of Supervisors urging the State Legislature to pass AB#1187 that would authorize the formation of a separate development authority for the Hunters Point Shipyard similar to the Treasure Island Development Authority. Ms. Sakai stated that Agency staff continued to work with the Mayor's Office of Economic Development on the negotiations with Lennar BVHP, the master developer for the Shipyard and the U.S. Navy. Until the State Legislature passes AB#1187, the Agency would maintain full control and authority of the Hunters Point Shipyard. Ms. Sakai stated that with regard to the Land Use Committee's meeting on April 21st, Agency staff was asked by Supervisor Sophie Maxwell to attend the meeting in order to provide factual information about the work that the Agency was doing in the Shipyard. Agency staff attended and responded to inquiries about the Agency's operations at the Shipyard.

Acting Executive Director Ayisha Benham informed the Commission that under the advice of the General Counsel, the Commission should not engage in an extensive discussion of the matter because it had not been calendared on the Agenda.

- Commissioner King disagreed with General Counsel's opinion because the Acting Executive Director distributed the informational memorandum to the Commission and believed that he had the right to ask questions about the informational memorandum. Mr. King stated that the matter need not be on the Agenda and Commissioners could discuss matters on information provided to the Commission. Mr. King stated that it was not appropriate to have a Board of Supervisors meeting without first notifying the Commission.
- Commissioner Yee stated that he agreed with Commissioner King's statements because the Commission had the authority to ask questions of staff and that was entirely appropriate. Mr. Yee asked staff to confirm that if AB#1187 is passed by the State Legislature, the Agency would no longer have authority over the Hunters Point Shipyard similar to Treasure Island.

Acting Executive Director Benham affirmed that the Agency would no longer have authority over the Hunters Point Shipyard if AB#1187 passes.

Acting General Counsel Penny Nakatsu stated that if the Commission had any more extended questions on the matter, she suggested that it would be appropriate to refer the questions to staff for response to be discussed at a future Commission meeting where the matter could be calendared.

- Acting President Romero stated that the Commission recognized the significance of the proposed development authority legislation for the Shipyard in that it could affect the Agency's operations. Mr. Romero stated that staff was being diligent in providing the text of the proposed legislation to keep the Commission informed. Mr. Romero suggested that the Executive Director consider presenting a thorough oral report at a future meeting and stated that the matter did not rise to the level of a calendared item because there did not appear to be any action that the Commission could take and was a matter that was in process outside of the Commission's control. Mr. Romero stated that the Commission had the right to be informed and the opportunity to ask questions on such an important matter, but also recognized that there should not be extended discussion without the benefit of notice to the public.
- Commissioner Dunlop stated that he requested the information from staff because he received a request from the public and he did not have a copy of the proposed legislation. Mr. Dunlop suggested that the matter be calendared for the next meeting or shortly thereafter, under the Report of the Executive Director so that the Commission could have a thorough discussion and hear from the public as well.
- Acting President Romero stated that he recalled that the Commission received a letter from the Mayor about the proposed legislation a few weeks ago and was confident that the Mayor's office would continue to keep the Commission abreast of the matter.
- Commissioner Dunlop stated that he noticed that there was only a wastebasket in the meeting room and no container for recycling paper products and asked staff to ensure that unused paper following Commission meetings was recycled.

Agency Secretary Tanjuaquio informed the Commission that all recyclable materials left after Commission meetings were gathered and deposited in designated recycling containers within City Hall.

10. **CLOSED SESSION:** None.

11. ADJOURNMENT

It was moved by Ms. Palamountain, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:39 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

April 29, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF APRIL 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 29th day of April 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Kathryn C. Palamountain

And the following were absent:

Leroy King
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

SEP 13 2007

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY.**

Closed Session meeting held on March 18, 2003

(a) Pursuant to Government Code Section 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: Settlement Agreement for Mission Housing Development Corporation v. SMWM, et al. – San Francisco Superior Court Case Number 409999

Executive Director Marcia Rosen reported that the Agency owns the property located at 150 Berry street in Mission Bay North where Mission Housing is building 100 units of very low and low-income housing. The project is known

as Rich Sorro Commons, and during the course of construction, several sewer laterals were installed at the wrong elevations due to design issues and a lack of coordination. Mission Housing brought suit on behalf of the Agency to recover the additional costs associated with correcting the problem. The Commission authorized the Executive Director to execute a Settlement and Release Agreement on the following terms and conditions: Accept settlement in the sum of \$256,000: \$96,000 from SMWM, \$95,000 from Sandis Humber Jones, and \$65,000 from Ray Brooks Engineering; Winzler & Kelly to pay Sandis Humber Jones \$15,000 in settlement; Mission Housing to pay Ray Brooks Engineering \$10,000 in unpaid fees; each side to execute mutual releases of all claims against the other; each side to dismiss with prejudice all pending lawsuits; each side to bear their own attorneys fees and costs; and no payment of settlement dollars by the Agency.

3. MATTERS OF UNFINISHED BUSINESS: None

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meetings of April 8, 2003, revised. Meeting of April 22, 2003
- 4 (b)** Resolution No. 61-2003, Approving an amendment to the Agency's Purchasing Policy and Procedures to increase the Executive Director's travel authorization from \$500 to \$3,000
- 4 (c)** Resolution No. 62-2003, Authorizing a Fourth Amendment to the Community Development Block Grant Loan Agreement with Bayanihan Partners, a California limited partnership, to revise the schedule of performance for the acquisition and rehabilitation of 152 units of very low-income rental housing at the Delta Hotel, 80-88 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (d)** Resolution No. 63-2003, Authorizing a Third Amendment to the Tax Increment Affordable Housing Program Loan Agreement with Bayanihan Partners, a California limited partnership, to revise the completion and occupancy date for the rehabilitation of 152 units of very low-income rental units at the Delta Hotel, 80-88 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area

President Sexton abstained from voting on the approval of the April 22, 2003 meeting minutes.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETINGS OF APRIL 8, 2003, REVISED. MEETING OF APRIL 22, 2003, 4 (B) RESOLUTION NO. 61-2003, APPROVING AN AMENDMENT TO THE AGENCY'S PURCHASING POLICY AND PROCEDURES TO INCREASE THE EXECUTIVE DIRECTOR'S TRAVEL AUTHORIZATION FROM \$500 TO \$3,000, 4 (c) RESOLUTION NO. 62-2003, AUTHORIZING A FOURTH AMENDMENT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT LOAN AGREEMENT WITH BAYANIHAN PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE ACQUISITION AND REHABILITATION OF 152 UNITS OF VERY LOW-INCOME RENTAL HOUSING AT THE DELTA HOTEL, 80-88 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, AND 4 (d) RESOLUTION NO. 63-2003, AUTHORIZING A THIRD AMENDMENT TO THE TAX INCREMENT AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH BAYANIHAN PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE COMPLETION AND OCCUPANCY DATE FOR THE REHABILITATION OF 152 UNITS OF VERY LOW-INCOME RENTAL UNITS AT THE DELTA HOTEL, 80-88 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

4 (e) Resolution No. 64-2003, Authorizing the extension of the designated period for two-years additional PERS service credit

Presenters: Ora Meacham (Agency staff)

Speakers: Lily Louie (representing Local 790)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 64-2003, AUTHORIZING THE EXTENSION OF THE DESIGNATED PERIOD FOR TWO-YEARS ADDITIONAL PERS SERVICE CREDIT, BE ADOPTED.

4 (f) Resolution No. 65-2003, Authorizing a Second Amendment to a Tax Increment Loan Agreement, in an amount not to exceed \$5,302,754, modifying the terms of repayment, and the cancellation of a Standby Payment Agreement in an amount not to exceed \$800,000, both with Mercy Housing California XXII, a California limited partnership, for the acquisition and rehabilitation of 75 very low and low-income rental units at the Dudley Apartments, 172 Sixth Street, South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Jeff White (Agency staff)

Commissioner Dunlop put forth a motion to adopt item 4 (f). Mr. Dunlop asked why the fair market rents were substantially lower.

Mr. Jeff White explained that in June 2002, the project was underwritten with what were the then current market rents, which were about 25% higher than the current market rents. Mr. White stated that residential rents throughout the City have been dropping quite a bit. For example, a year ago, the estimated monthly market rent for a one-bedroom unit was \$1,475, while the current average monthly rent for a one-bedroom was \$1,175.

Executive Director Marcia Rosen added that the maximum rents established by HUD for the Section 8 program remained the same, however rent comparability surveys must be conducted for each Section 8 project. Until recently, all of the rent surveys substantiated the maximum fair market rent, but now that the market has dropped, the rent comparability surveys often established rents below the maximum fair market rents.

Commissioner Dunlop thanked and congratulated staff for the hard work on such a wonderful project.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING, SINGH AND MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 65-2003, AUTHORIZING A SECOND AMENDMENT TO A TAX INCREMENT LOAN AGREEMENT, IN AN AMOUNT NOT TO EXCEED \$5,302,754, MODIFYING THE TERMS OF REPAYMENT, AND THE CANCELLATION OF A STANDBY PAYMENT AGREEMENT IN AN AMOUNT NOT TO EXCEED \$800,000, BOTH WITH MERCY HOUSING CALIFORNIA XXII, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE ACQUISITION AND REHABILITATION OF 75 VERY LOW AND LOW-INCOME RENTAL UNITS AT THE DUDLEY APARTMENTS, 172 SIXTH STREET, SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (g) Resolution No. 66-2003, Authorizing a Second Amendment to the Regulatory and Grant Agreement with Mary Elizabeth Inn, a California nonprofit public benefit corporation (“MEI”) and California Properties of Woman’s Division, Inc., a California nonprofit public benefit corporation, for additional grant funds in the amount of \$646,000, for a total aggregate amount not to exceed \$3,352,406, and to Revise the construction completion date, and Authorizing a Tax Increment Loan Agreement with MEI in an amount not to exceed \$122,319, for the rehabilitation of 88 units of extremely low and very-low income rental housing for women, 1040 Bush Street; Citywide Tax Increment Housing Program

Presenters: Lucia Mele (Agency staff)

Speakers: Charlotte Quann, Carol Banks, Betty M. Coleman, Gayle Shearman, Daphine O’Koye, Sandra Solomon, Sharon Park, Rev. Alan Jones, Michael Vanderhorst, Randall Evans, Kae Lewis, Lisa Pagan

Commissioner Romero stated that the Agency had been involved in many complex and massive development projects and it was important that the Commission not lose sight of projects such as the Mary Elizabeth Inn and the enormous service it provided. Mr. Romero stated that the Agency filled an important role for that segment of the population and acknowledged that properties such as Mary Elizabeth Inn and all properties were subject to changes in the market and financing particularly on a major and complex rehabilitation project. Mr. Romero stated that he supported staff’s recommendation to approve the project and put forth a motion to adopt item 4 (g).

Commissioner Palamountain stated that Mary Elizabeth Inn had been fulfilling the housing needs of very low-income women for many years and acknowledged the importance of providing such service. Ms. Palamountain expressed some concerns about the project and asked if there was a concern from Agency management with the project’s capacity since there was no leasing activity during the time when the project’s executive director was incapacitated, and if this was being addressed through the proposed marketing consultant.

Ms. Lucia Mele responded that staff was concerned and explained that the executive director’s incapacity occurred during the heaviest phase of the construction where leasing of the rooms would not have taken place. Ms. Mele stated that between the two construction managers and the architect, they were able to resolve all of the problems, but staff was still concerned with the present high vacancy rate at the inn and its difficulty in filling the rooms. Ms. Mele stated that staff had recommended that the inn contract with a marketing consultant for six months to assist in marketing the vacant

rooms, and at the end of the six months, staff would re-evaluate the need for a management consultant or if the inn would continue to self-manage.

Commissioner Palamountain stated that she was surprised to hear that the inn was having a difficult time filling the vacant rooms given the high incidence of homeless women in the City and asked for an explanation. Ms. Palamountain also asked what the marketing consultant's role would be in filling the vacant rooms.

Ms. Mele stated that 20 of the rooms designated for extremely low-income women with incomes at 25% of the area median income are awaiting approval of SHIA funding, which was anticipated to occur in one month, and the inn expected to fill these rooms soon after the funding was in place. In the meantime, the inn had been accepting applications for the rooms. Ms. Mele stated that the marketing consultant would network with existing resources for transition and various programs for referral to the inn. The marketing consultant would also assist in the advertisement of the available rooms at the inn.

Commissioner Palamountain asked if staff anticipated additional requests to fund operating costs and what happened with the \$122,319 of retention funds. Ms. Palamountain asked if the Commission approved the settlement agreement with the general contractor and what the source of funds was for the grant funds of \$646,000.

Ms. Mele informed the Commission that this was the only funding request anticipated for the inn. The retention funds of \$122,319 were used to pay for operating deficits in the final months of 2002 instead of holding them in accordance with the approved budget. Ms. Mele stated that Commission did not approve the settlement agreement with the general contractor because that was between the inn and the general contractor. Ms. Mele stated that the \$646,000 grant was from tax increment funds.

Commissioner Palamountain thanked staff for the hard work and seconded Commissioner Romero's motion to adopt item 4 (g).

Commissioner Dunlop lent his support for the project and thanked the residents for taking the time to come to the Commission meeting. Mr. Dunlop stated that supporting a project that served the needy in such a caring way was one of the great pleasures of being a Commissioner and stated he was confident that staff had placed adequate controls on the project and supported staff's recommendation. Mr. Dunlop expressed his best wishes for the success of the project.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 66-2003, AUTHORIZING A SECOND AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH MARY ELIZABETH INN, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION ("MEI") AND CALIFORNIA PROPERTIES OF WOMAN'S DIVISION, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR ADDITIONAL GRANT FUNDS IN THE AMOUNT OF \$646,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$3,352,406, AND TO REVISE THE CONSTRUCTION COMPLETION DATE, AND AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH MEI IN AN AMOUNT NOT TO EXCEED \$122,319, FOR THE REHABILITATION OF 88 UNITS OF EXTREMELY LOW AND VERY-LOW INCOME RENTAL HOUSING FOR WOMEN, 1040 BUSH STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA,
BUT AGENCY RELATED MATTERS**

- Michael Vanderhorst, Randall Evans, Mary Helen Rogers

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Informational memorandum regarding the proposed Hunters Point Shipyard Development Authority State legislation (AB 1187). The Mayor's Office informed staff that the scheduled hearing by the Local Governments Committee of the State Assembly on April 30, 2003 has been postponed and staff would keep the Commission informed.
- Hunters Point Shipyard Artists Open Studio on May 2-3, 2003.
- Fillmore Jazz Preservation District's Promotions Office grand opening on April 30, 2003 from 6:00 to 8:00 p.m. at the West Bay Conference Center (Fillmore and Eddy Streets).

- Second Transbay Design for Development public workshop on May 1st, 5:00 to 8:30 p.m. at the Yerba Buena Center for the Arts, 701 Mission Street.
- Escrow closed on the CB-1 Jessie Square Garage project, which is the last major project in Yerba Buena Center. There were 36 separate documents recorded. The entities included Millennium Partners (and other entities), the Jewish Museum, the Mexican Museum, the Argent Hotel, St. Patrick's Church, Planters Hotel (Ron Kaufman), the City and the Agency. There were 10 entities involved, which were counseled by 9 law firms (including Agency and City staffs) for completing a checklist of over 225 separate items. Ms. Rosen asked the Commission to join her in recognizing Agency staff's tremendous work on the project, including Penny Nakatsu, Bill Carney, Judy Eng, Al Luis, Mario Menchini, Ayisha Benham, the Agency's facilities maintenance staff led by Jesse Fontenot, Oscar James, Kenneth Rawls and Ronald Westry. Ms. Rosen reported that construction was scheduled to begin very shortly.
- Introduced the Agency's new Property Management Supervisor, Nicole Franklin who used to work at the City's Real Estate Department.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Palamountain welcomed Ms. Franklin to the Agency. Ms. Palamountain asked, in light of the changes in market rents for Section 8 housing units such as the Dudley Hotel, if staff expected similar issues to occur in other housing developments, and asked if a workshop would be appropriate.

Executive Director Rosen stated that staff would gather the information and suggested that an informational memorandum may suffice.

- Commissioner Dunlop stated that he would be attending the grand opening of the Fillmore Jazz Preservation District Promotions Office on April 30th.
- Commissioner Dunlop stated that the proposed Hunters Point Shipyard Development Authority State legislation was a matter of considerable public concern as he had received many inquiries from the public, and the Commission should have much more definitive information before the proposed legislation proceeded. Mr. Dunlop proposed that a Commission workshop be conducted on AB 1187.

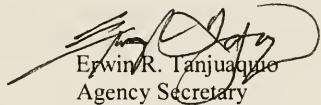
Executive Director Rosen stated that she would discuss the matter at Agenda-setting with the Commission President and Vice-President.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT**

It was moved by Ms. Palamountain, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Erwin R. Tanjuaque
Agency Secretary

APPROVED:

May 13, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF MAY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 13th day of May 2003, at the place and date duly established for holding of such a meeting.

Acting President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King
Kathryn C. Palamountain (arrived at 4:08 p.m.)
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

Michelle W. Sexton, President

SEP 13 2007

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY.** None.

3. MATTERS OF UNFINISHED BUSINESS: None

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of April 29, 2003
- 4 (b) Resolution No. 67-2003, Approving the Amended Signage Master Plan for the Mission Bay North Redevelopment Project Area pursuant to an Owner Participation Agreement with Catellus Development Corporation, a Delaware corporation; Mission Bay North Redevelopment Project Area

Commissioner King asked that item 4 (b) be withdrawn from the consent agenda.

Commissioner Dunlop put forth a motion to adopt consent agenda item 4 (a). Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN AND MS. SEXTON ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF APRIL 29, 2003, BE ADOPTED.

The Commission took a separate vote on consent agenda item 4 (b).

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT CONSENT AGENDA ITEM 4 (b) RESOLUTION NO. 67-2003, APPROVING THE AMENDED SIGNAGE MASTER PLAN FOR THE MISSION BAY NORTH REDEVELOPMENT PROJECT AREA PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No. 68-2003, Expressing the intention to annex territory as Annexation No. 3 to Community Facilities District No. 1 (South Beach) and to Authorize the levy of special taxes therein; Rincon Point-South Beach Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 68-2003, EXPRESSING THE INTENTION TO ANNEX TERRITORY AS ANNEXATION NO. 3 TO COMMUNITY FACILITIES DISTRICT NO. 1 (SOUTH BEACH) AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (d) Resolution No. 69-2003, Authorizing negotiations with KTB Management Group for a property management contract for the Mission Bay Open Space System; Mission Bay North and South Redevelopment Project Areas

Presenters: Amy Neches (Agency staff), Mary McCue (KTB Management)

Speakers: Corinne Woods, Randall Evans

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 69-2003, AUTHORIZING NEGOTIATIONS WITH KTB MANAGEMENT GROUP FOR A PROPERTY MANAGEMENT CONTRACT FOR THE MISSION BAY OPEN SPACE SYSTEM; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

4 (e) Resolution No. 70-2003, Authorizing a Letter Agreement with the Department of Public Works of the City and County of San Francisco in an amount not to exceed \$70,000 for engineering and technical support services in anticipation of dredging at South Beach Harbor; Rincon Point - South Beach Redevelopment Project Area

Presenters: James Nybakken (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 70-2003, AUTHORIZING A LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS OF THE CITY AND COUNTY OF SAN FRANCISCO IN AN AMOUNT NOT TO EXCEED \$70,000 FOR ENGINEERING AND TECHNICAL SUPPORT SERVICES IN ANTICIPATION OF DREDGING AT SOUTH BEACH HARBOR; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (f) Resolution No. 71-2003, Commending and expressing appreciation to Edmund W. Ong, Architecture and Engineering Supervisor, as the recipient of the 2003 American Institute of Architects Thomas Jefferson Award for Public Architecture, for his architectural career achievement at the Redevelopment Agency of the City and County of San Francisco

Presenters: Marcia Rosen (Agency staff)

Executive Director Rosen read the commendation resolution for Mr. Ong and informed the Commission that the local chapter of the American Institute of Architects and the Agency were co-sponsoring a reception for Mr. Ong on the first Tuesday of June at the Yerba Buena Center for the Arts.

Mr. Ong addressed the Commission and thanked them for the commendation resolution. Mr. Ong stated that the Thomas Jefferson award was a reflection of the dedication, hard work and commitment of the Agency Commission both past and present, including all of the Agency employees.

Commissioner King recalled the long and arduous work on the Yerba Buena Gardens and the complex negotiations with Olympia and York that led to the completion of Yerba Buena Center. Mr. King credited Mr. Ong for his steadfast work in ensuring architectural excellence for the buildings in the Yerba Buena Gardens, in particular the Marriott Hotel. Mr. King thanked Mr. Ong for his contributions and stated that the City would not be the same without Mr. Ong's involvement and that the City owed him its gratitude.

Commissioner Dunlop thanked and congratulated Mr. Ong for receiving the prestigious Thomas Jefferson Award for Public Architecture. Mr. Dunlop stated that Mr. Ong is a man of humility, tremendous skills and talent. Mr. Dunlop stated that there was a myth that public architecture was bland and boring, but Mr. Ong's work at the Redevelopment Agency proved that myth wrong.

Commissioner Yee acknowledged Mr. Ong's long employment with the Agency and the marvelous job he had done and continue to do. Mr. Yee stated that Mr. Ong is a humble man who gives honor to everyone else, and for this, he will be remembered for a very long time. Mr. Yee jested that Mr. Ong was due a pay raise and thanked him for his hard work.

Commissioner Palamountain stated that it was always fun to reflect on the good works that the Agency had done especially when staff was recognized by the outside world for their contributions. Ms. Palamountain stated that she enjoyed listening to Mr. Ong speak about architecture and the purpose of the Thomas Jefferson award, but especially livability as part of the

architecture design within the City. Ms. Palamountain thanked Mr. Ong for his sensitivity and commitment to enhancing the livability of the City and that she was very happy despite Mr. Ong's attempt to deflect the honor to the Commission, that Mr. Ong received recognition for his tremendous work at the Agency. Ms. Palamountain congratulated Mr. Ong.

Commissioner Singh stated that he was not aware that Mr. Ong had been with the Agency for so many years because he looked so young. Mr. Singh thanked and congratulated Mr. Ong.

Acting President Romero congratulated Mr. Ong for being the recipient of the 2003 American Institute of Architects' Thomas Jefferson Award for Public Architecture. Mr. Romero stated that as a Commissioner, he supported Mr. Ong's work and trusted his judgment on architecture design and the American Institute of Architects had confirmed his trust with the prestigious Thomas Jefferson Award.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 71-2003, COMMENDING AND EXPRESSING APPRECIATION TO EDMUND W. ONG, ARCHITECTURE AND ENGINEERING SUPERVISOR, AS THE RECIPIENT OF THE 2003 AMERICAN INSTITUTE OF ARCHITECTS THOMAS JEFFERSON AWARD FOR PUBLIC ARCHITECTURE, FOR HIS ARCHITECTURAL CAREER ACHIEVEMENT AT THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Liz Whitted Dawson, Randall Evans

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen recognized Robert Costa, the Agency's urban fellow, whose academic year was almost over and upon completion, would attain his Masters of Public Administration. Ms. Rosen stated

that Mr. Costa had been a marvelous addition to the Agency staff and had worked with all of the Agency divisions as well as PACs and CACs. Ms. Rosen asked the Commission to join her and staff in wishing Mr. Costa well.

- The second public workshop on the Transbay Design for Development was held on May 1st, where over 70 people were in attendance. Ms. Rosen informed the Commission that the process was steadily moving forward and there was one more public workshop scheduled, following which, a Commission workshop would be scheduled.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Dunlop thanked Robert Costa for his hard work. Mr. Dunlop thanked Randall Evans for his complimentary remarks of Agency staff and also thanked staff for its continued hard work.
- Commissioner Dunlop inquired about the status of the Fillmore Bridge artwork.

Executive Director Rosen informed the Commission that she stopped by the project that morning and spoke with the workers and reported that there was a substantial amount of the glass panels already installed and that the art installation was close to completion. The installed panels could not be readily seen because there were plywood boards covering the glass panels. Ms. Rosen also reported that there had been some delay because of the unseasonable rain, but staff checked the progress of the work daily.

- Commissioner King informed the Executive Director that he was recently at the Fillmore Plaza and reported that the maintenance work was a disgrace because of the dirt, weeds, grass and gum on the plaza. Mr. King stated that it did not look like KTB was doing a very good job of keeping the plaza clean and there had been a lot of merchants calling him.

Executive Director Rosen stated that staff would look into the matter and provide a report to the Commission.

- Commissioner Palamountain acknowledged Ms. Whitted Dawson's testimony on non-agenda, but agency-related matters and explained that the Commission had not been briefed on the issue raised by Ms. Whitted Dawson and the Commission was not able to address the issue because the matter was not on the Agenda. Ms. Palamountain assured Ms. Whitted Dawson that staff would contact her and the Commission would be provided information.

- Commissioner Yee asked when staff would be able to provide the information he requested about non-profit affordable housing project sponsors.

Executive Director Rosen informed the Commission that staff was finalizing the report and hoped to include it in the Commissioners' packets on Thursday, May 15th.

- Commissioner Singh suggested that Ms. Whitted Dawson meet with the Executive Director to discuss the termination of her contract with the Agency.
- Commissioner Dunlop reported that he attended a fabulous event on April 30th, the grand opening of the Fillmore Jazz Preservation District's Promotions Office hosted by the promotions consultant, Cultural ID. Commissioners King and Sexton were also in attendance. Mr. Dunlop shared that there was an unfortunate newspaper article about the opening that did not report the enthusiasm and energy of the promotions office.
- Acting President Romero thanked and congratulated Mr. Robert Costa.

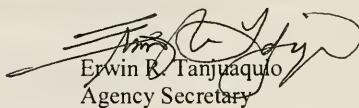
10. CLOSED SESSION:

- (a) Pursuant to Government Code § 54957.6 to instruct Agency designated representatives to negotiate with San Francisco Redevelopment Employee Association (Professional/ Technical Unit), Service Employees International Union (SEIU) Local 790, and International Federation of Professional and Technical Engineers (IFPTE) Local 21. Agency negotiators: Marcia Rosen, Ayisha Benham, Bertha Ontiveros, and Ora Meacham.
- (b) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:28 p.m.

Respectfully submitted,



Ewlyn B. Tanjuaquo
Agency Secretary

APPROVED:

May 20, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF MAY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of May 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Leroy King (arrived at 4:09 p.m.)
Darshan Singh (arrived at 4:09 p.m.)
Benny Y. Yee (departed at 4:30 p.m.)

DOCUMENTS DEPT.

And the following were absent:

SEP 13 2007

Kathryn C. Palamountain

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY.** None.

3. MATTERS OF UNFINISHED BUSINESS: None

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of May 13, 2003

- 4 (b) Resolution No. 72-2003, Authorizing a Third Amendment to the Personal Services Contract with the joint venture of KPMG LLP, a Delaware limited liability partnership, and Williams, Adley & Company LLP, a California limited liability partnership, to increase the compensation by \$104,600, for a total aggregate amount not to exceed \$502,100, for the annual audit of the June 30, 2003 Financial Statements and to provide consulting services for the Standard Government Reporting Requirements
- 4 (c) Resolution No. 73-2003, Authorizing a First Amendment to the Tax Increment Affordable Housing Program Loan Agreement with 32-40 6th Street, LLC, a California limited liability company, to revise the schedule of certain predevelopment activities for the rehabilitation of the Seneca Hotel, 32-40 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (d) Resolution No. 74-2003, Authorizing an Amendment to the exclusive negotiations period to extend the term for four months and a Second Amendment to a Predevelopment Grant Agreement to modify the budget and schedule of performance with Conard House, Inc., a California nonprofit public benefit corporation, for the acquisition and rehabilitation of 55 very low-income rental units at the Jordan Apartments, 820 O'Farrell Street; Citywide Tax Increment Housing Program

President Sexton abstained from voting on the approval of the May 13, 2003 meeting minutes.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MS. PALAMOUNTAIN, AND MR. SINGH ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF MAY 13, 2003, 4 (b) RESOLUTION NO. 72-2003, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE JOINT VENTURE OF KPMG LLP, A DELAWARE LIMITED LIABILITY PARTNERSHIP, AND WILLIAMS, ADLEY & COMPANY LLP, A CALIFORNIA LIMITED LIABILITY PARTNERSHIP, TO INCREASE THE COMPENSATION BY \$104,600, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$502,100, FOR THE ANNUAL AUDIT OF THE JUNE 30, 2003 FINANCIAL STATEMENTS AND TO PROVIDE CONSULTING SERVICES FOR THE STANDARD GOVERNMENT REPORTING REQUIREMENTS, 4 (c) RESOLUTION NO. 73-2003, AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH 32-40 6TH STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE SCHEDULE OF CERTAIN PREDEVELOPMENT ACTIVITIES FOR THE

REHABILITATION OF THE SENECA HOTEL, 32-40 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, AND 4 (d) RESOLUTION NO. 74-2003, AUTHORIZING AN AMENDMENT TO THE EXCLUSIVE NEGOTIATIONS PERIOD TO EXTEND THE TERM FOR FOUR MONTHS AND A SECOND AMENDMENT TO A PREDEVELOPMENT GRANT AGREEMENT TO MODIFY THE BUDGET AND SCHEDULE OF PERFORMANCE WITH CONARD HOUSE, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE ACQUISITION AND REHABILITATION OF 55 VERY LOW-INCOME RENTAL UNITS AT THE JORDAN APARTMENTS, 820 O'FARRELL STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (e) Resolution No. 75-2003, Authorizing a First Amendment to the Rental Subsidy Agreement with the Housing Authority of the City and County of San Francisco, to increase compensation by an amount not to exceed \$530,000, for a total aggregate amount not to exceed \$3,780,000, to provide rental assistance for the first year of a three year contract; Housing Opportunities for Persons With AIDS Program

Presenters: Pam Sims (Agency staff)

Commissioner Dunlop put forth a motion to adopt item 4 (e) and thanked staff for its continued hard work on providing needed assistance for people living with HIV/AIDS. Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING, MS. PALAMOUNTAIN, AND MR. SINGH ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 75-2003, AUTHORIZING A FIRST AMENDMENT TO THE RENTAL SUBSIDY AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, TO INCREASE COMPENSATION BY AN AMOUNT NOT TO EXCEED \$530,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$3,780,000, TO PROVIDE RENTAL ASSISTANCE FOR THE FIRST YEAR OF A THREE YEAR CONTRACT; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

**6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA,
BUT AGENCY RELATED MATTERS** None.

7. REPORT OF THE PRESIDENT

- President Sexton requested a copy of the continuing disclosure statements for Agency bond issuances.

Executive Director Rosen assured that a copy would be provided.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Attended a Board meeting of the California Redevelopment Association on May 15th and discussed the Governor's latest budget proposal affecting redevelopment agencies in the State. In the current fiscal year (2002-2003), there had been a shift of \$75 million of property taxes that would have gone to redevelopment agencies statewide to the State's education fund known as the Educational Revenue Augmentation Fund or ERAF. The Governor's latest proposal as of May 14th, for the 2003-2004 fiscal year, was to shift \$250 million statewide from redevelopment agencies to the State's ERAF. The Agency's share of the \$75 million was \$1.2 million and the Agency's share under the new proposed \$250 million shift, was estimated to be 3.3 times the initial \$1.2 million amount. Staff had been closely working with the Mayor's finance office and the City planned to set aside a reserve account as part of the City's overall budget in anticipation of budget impacts from the State budget.
- The Mayor's budget office would be presenting the City's budget to the Board of Supervisors by June 1st. The Mayor's budget office had some revisions to the Agency's budget approved by the Commission in March, but none that impair the Agency's programs. The revisions related to the designation of sources of funds for the Agency's programs. More information would be provided to the Commission as soon as the Mayor's budget office completed the City's budget.
- Board of Supervisors' Finance Committee meeting on May 21st to consider approval of the transfer from the City to the Agency of the property in the Transbay Survey Area. The matter would be before the Commission at its May 27th meeting.
- Newspaper articles related to a proposal by the California Pacific Medical Center, who had optioned the Cathedral Hill Hotel, and was looking at the hotel site to develop a new acute-care hospital. Staff had

a preliminary meeting with the medical center and discussed its proposal. More information would be provided to the Commission as the negotiations progressed.

- Provided an update on the Fillmore Streetscape maintenance contract and concerns raised by Commissioner King and members of the public at the May 13th meeting. Agency staff had followed-up with KTB and Ella Hill Hutch and as a result of a tour of the Gene Suttle Plaza and Fillmore Street, the following changes were recommended: Ella Hill Hutch crew to be augmented by KTB staff to assist in supervising the daily work; KTB and Ella Hill Hutch agreed to rotate the Western Addition crew one at a time, to the Yerba Buena Gardens for additional training starting later that week; Ella Hill Hutch had put the crew on a 30-day quality assurance performance evaluation beginning May 8th; a seven-day a week schedule for Fillmore Street was being looked at to ensure that the street was properly cleaned and maintained; conduct daily visits; weed abatement on the sidewalks was underway; KTB took steps to reseat the pavers along the sidewalk were cigarette butts and other debris were accumulating; and the Geary Street bridge had been scrubbed in preparation for the removal of the scaffolding. Agency staff along with Arts Commission staff was scheduled to inspect the bridge artwork on May 22nd. In addition, the planters in the Gene Suttle plaza had been replanted and there continued to be an increased level of cleaning.
- Letter of appreciation from Peter Chan of the Asian-American Architects and Engineers whom Agency staff met with on May 8th to introduce them to the Agency and possible opportunities through the Agency's work in particular, the Hunters Point Shipyard.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh clarified that \$75 million had been eliminated from the Redevelopment Agency as a result of the State budget. Mr. Singh shared that he heard on the radio that the Governor was proposing \$250 million in budget cuts and asked for an update.

Executive Director Rosen explained that \$75 million had been shifted from redevelopment agencies statewide for the current fiscal year 2002-2003, and the impact on the San Francisco Redevelopment Agency was \$1.2 million. The Governor's latest proposal was to shift \$250 million from redevelopment agencies statewide to the State's ERAF, but the State legislature had not yet acted on the Governor's proposal. Ms. Rosen stated that she would keep the Commission informed of any late-breaking news on the State budget and its impact on the Redevelopment Agency.

- Commissioner Singh referred to the letter from the Asian-American Architects and Engineers about a meeting hosted by the Agency on May 8th, and asked if there were any Indian firms in attendance or if they were invited to the meeting.

Chris Iglesias, the Agency's Contract Compliance Manager, informed the Commission that the invitations to the meeting were sent to members of the Asian-American Architects and Engineers association. Mr. Iglesias stated that he would follow-up with Mr. Peter Chan about extending invitations to Indian architectural and engineering firms.

- Commissioner Dunlop asked if the Agency Commissioners who also serve as members of the Proposition A Housing Committee, were subject to the City's Sunshine Ordinance and required to attend the annual training on the Sunshine Ordinance.

Executive Director Rosen stated that the Housing Committee was an advisory committee and the requirement for the Sunshine Ordinance training was for City Commissioners, but would consult with the Mayor's Office and the City Attorney on the applicability to Agency Commissioners serving on the Proposition A Housing Committee.

- Commissioner Dunlop reiterated his earlier offer to the Executive Director to let Commissioners know how they could help advocate for the Agency's budget with State legislators whom Commissioners knew.

Executive Director Rosen reminded the Commission that information about the State budget's impact on the Agency was provided previously to the Commission as well as the most recent budget impact analysis based upon the Governor's latest budget proposal. Ms. Rosen stated that staff appreciated the Commission's support and would continue to keep it abreast of any new information.

- Commissioner King asked for clarification about the requirement for the Commission to attend the Sunshine Ordinance training. Mr. King stated that the Agency Commission was not subject to the Sunshine Ordinance and asked if the Housing Committee was still operating given that the bond funds had all been expended.

Executive Director Rosen explained that she was responding to Commissioner Dunlop's question of the Sunshine Ordinance's applicability to Agency Commissioners serving as members of the Proposition A Housing Committee, and that she would consult with the Mayor's Office and the City Attorney because the Housing Committee was advisory to the Mayor's Office. Ms. Rosen stated that the Agency Commission was not subject to the City's Sunshine Ordinance. Ms. Rosen stated that she would defer to the Mayor's Office and the City Attorney the question of the Housing Committee's responsibilities.

- Commissioner King stated that he was glad to see representatives from KTB and Ella Hill Hutch at the meeting and was pleased that the street maintenance concerns he raised at the last meeting were being addressed. Mr. King asked if Ella Hill Hutch was involved with the maintenance work.

Executive Director Rosen reminded that the Fillmore Streetscape maintenance contract was with KTB and Ella Hill Hutch and both have responded proactively to address the street maintenance issues and understood the importance of providing the highest quality of maintenance on the Fillmore area so that the community could be proud of an important community asset.

- Commissioner King thanked Mr. Herman Clark of KTB for calling him personally and assuring him that the maintenance issues were being resolved expediently.

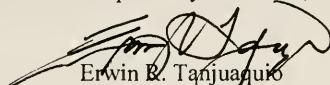
10. CLOSED SESSION:

(a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property under consideration to be leased is a 4,000-square-foot theater space at the Plaza Hotel, located at 988-992 Howard Street within the South of Market Earthquake Recovery Redevelopment Project Area and the party with whom the Agency may negotiate is Bindlestiff Studio. Agency negotiators: Marcia Rosen, William Carney, Olson Lee, Vanessa Dandridge, Tracie Reynolds, and Isabella Wong.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:56 p.m.

Respectfully submitted,



Erwin R. Tanjuaqio
Agency Secretary

APPROVED:

May 27, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF MAY 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 27th day of May 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee (arrived at 4:10 p.m.)

DOCUMENTS DEPT.

And the following were absent:

SEP 13 2007

Mark Dunlop

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY.** None.

3. MATTERS OF UNFINISHED BUSINESS: None

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of May 20, 2003

4 (b) Resolution No. 76-2003, Authorizing a First Amendment to the Ground Lease with Namiki Apartments limited partnership, a California limited partnership, to revise the term and schedule of performance and a lease rider as required by the California Department of Housing and Community Development to confirm their rights as a lender for the Namiki Apartments, 1776 Sutter Street in the Western Addition A-2 Redevelopment Project Area, all as part of the Agency's Housing Preservation Program; Citywide Tax Increment Housing Program

Commissioner Palamountain abstained from voting on the approval of the May 20, 2003 meeting minutes.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF MAY 20, 2003, AND 4 (b) RESOLUTION NO. 76-2003, AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE WITH NAMIKI APARTMENTS LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE TERM AND SCHEDULE OF PERFORMANCE AND A LEASE RIDER AS REQUIRED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO CONFIRM THEIR RIGHTS AS A LENDER FOR THE NAMIKI APARTMENTS, 1776 SUTTER STREET IN THE WESTERN ADDITION A-2 REDEVELOPMENT PROJECT AREA, ALL AS PART OF THE AGENCY'S HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (c) Resolution No. 77-2003, Authorizing a Personal Services Contract with the Private Industry Council of San Francisco, Inc., a California nonprofit public benefit corporation, for a three year term in an amount not to exceed \$1,001,664 for FY 2003-04 plus 3% cost of living increases for FYs 2004-05 and 2005-06, for an aggregate contract amount not to exceed \$3,096,044 to contract for services and administer employment and training services contracts with Ella Hill Hutch Community Center, Mission Hiring Hall, Inc., South of Market Employment Center and Young Community Developers, Inc.; Western Addition A-2, Yerba Buena Center, South of Market Earthquake Recovery, Mission Bay North and South, Rincon Point-South Beach, India Basin Redevelopment Project Areas and Bayview Hunters Point Redevelopment Survey Area

Presenters: Chris Iglesias (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (c).

Commissioner Singh inquired about the 4,000 referrals for the various jobs mentioned by Mr. Chris Iglesias and asked how many people actually got jobs. Mr. Singh asked if there were guidelines for the employment referrals and the types of jobs people were placed in.

Mr. Chris Iglesias stated that there had been an average of 4,000 referrals per year for the last three years and about 1,000 people were placed in various jobs. Mr. Iglesias stated that job applicants were screened prior to being referred to employers including drug testing for construction jobs. Mr. Iglesias stated that about 500 or one-half of the 1,000 placed jobs were for construction work within redevelopment project areas such as Mission Bay.

Commissioner King stated that the program trained people and then referred to various employers for job placements. Mr. King stated that the contract with the Private Industry Council had been successful and had a good program and had done a good job. Mr. King seconded Commissioner Romero's motion to adopt item 4 (c).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 77-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE PRIVATE INDUSTRY COUNCIL OF SAN FRANCISCO, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR A THREE YEAR TERM IN AN AMOUNT NOT TO EXCEED \$1,001,664 FOR FY 2003-04 PLUS 3% COST OF LIVING INCREASES FOR FYS 2004-05 AND 2005-06, FOR AN AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$3,096,044 TO CONTRACT FOR SERVICES AND ADMINISTER EMPLOYMENT AND TRAINING SERVICES CONTRACTS WITH ELLA HILL HUTCH COMMUNITY CENTER, MISSION HIRING HALL, INC., SOUTH OF MARKET EMPLOYMENT CENTER AND YOUNG COMMUNITY DEVELOPERS, INC.; WESTERN ADDITION A-2, YERBA BUENA CENTER, SOUTH OF MARKET EARTHQUAKE RECOVERY, MISSION BAY NORTH AND SOUTH, RINCON POINT-SOUTH BEACH, INDIA BASIN REDEVELOPMENT PROJECT AREAS AND BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

4 (d) Resolution No. 78-2003, Authorizing a First Amendment to a Personal Services Contract with John B. Dykstra and Associates, a sole proprietorship, to increase the compensation by \$41,090 for an aggregate amount not to exceed \$60,000 for blight survey and related plan adoption services for Bayview Hunters Point, Bayview Industrial Triangle, Hunters Point, India Basin, Mid-Market, South of Market, Transbay and Western Addition A-2 Redevelopment Project

Presenters: Jose Campos (Agency staff)

Commissioner King asked if there were any meetings about the contract with the various PACs and CACs because he did not notice any recommendations from the community. Mr. King stated that he was opposed to staff's recommendation.

Executive Director Rosen stated that the PACs and CACs did not usually provide recommendations on technical contracts, but staff worked closely with the community and the community reviewed the work. The proposed contract amendment was a result of additional analysis recommended by the PACs and/or CACs.

Commissioner Singh asked if this was John Dykstra's first contract with the Agency. Mr. Singh asked how Mr. Dykstra was selected for the plan adoption work.

Mr. Jose Campos stated that Mr. Dykstra previously worked with the Agency on the Yerba Buena Center/Bloomingdale's plan amendment. Mr. Campos stated that Mr. Dykstra was one of very few statewide experts on the specialized blight analysis that was crucial for plan adoptions and although Mr. Dykstra was not part of the Agency's plan adoption consultant panel, he was deemed to have the specialized skills and knowledge in the State law required blight analysis.

Commissioner Singh put forth a motion to adopt item 4 (d).

Commissioner Palamountain seconded Commissioner Singh's motion. Ms. Palamountain verified that the Bayview Hunters Point Project Area Committee, as an example, requested project area boundary changes that necessitated the additional work. Mr. Campos affirmed.

Commissioner King stated that he did not recall Mr. Dykstra working on Agency projects and previously coming before the Commission.

Mr. Campos stated that the first contract with Mr. Dykstra was for \$18,010 and was below the contract amount that required Commission approval and was approved administratively. The scope of the work had now changed

and the contract amount exceeded the administrative expenditure authority and the first contract amendment was before the Commission.

Executive Director Rosen clarified that the prior work that Mr. Dykstra provided for the Bloomingdale's, Yerba Buena Center plan amendment was as a sub-consultant and the Commission would not have seen that contract.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, THAT ITEM 4 (d) RESOLUTION NO. 78-2003, AUTHORIZING A FIRST AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH JOHN B. DYKSTRA AND ASSOCIATES, A SOLE PROPRIETORSHIP, TO INCREASE THE COMPENSATION BY \$41,090 FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$60,000 FOR BLIGHT SURVEY AND RELATED PLAN ADOPTION SERVICES FOR BAYVIEW HUNTERS POINT, BAYVIEW INDUSTRIAL TRIANGLE, HUNTERS POINT, INDIA BASIN, MID-MARKET, SOUTH OF MARKET, TRANSBAY AND WESTERN ADDITION A-2 REDEVELOPMENT PROJECT BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE"

Ms. Palamountain
Mr. Romero
Mr. Singh
Mr. Yee
Ms. Sexton

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING WERE ABSENT:

Mr. Dunlop

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (5) AYES, ONE (1) NAY, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT ITEM 4 (d), RESOLUTION NO. 78-2003, WAS ADOPTED.

4 (e) Resolution No. 79-2003, Authorizing an Agreement for the purchase and sale of real property with the City and County of San Francisco, a municipal corporation, in an amount not to exceed \$10,034,140.00, for the acquisition of Lot 27, in Assessor's Block 3740, located on Spear Street between Howard and Folsom Streets, for the development of up to 270 low- and moderate-income rental housing units; Transbay Redevelopment Survey Area and the Citywide Tax Increment Housing Program

Presenters: Al Luis (Agency staff)

Commissioner Yee verified that staff had a current appraisal of the property and the total acquisition cost was based upon a \$300 per square foot cost. Mr. Yee inquired about the current zoning classification of "P" (public) and a height limit of between 300 and 500 feet and asked who would have the authority to increase the height limit beyond 500 feet.

Mr. Al Luis stated that the appraisal for the property was done in January 2003 and the appraisal amount was calculated to be about \$300 per square foot. Mr. Luis stated that the site was within the area where the former elevated Embarcadero freeway stood and was zoned "P" and there were no height limits established. The 300 to 500 foot height limit was based upon height limits contemplated for the area under the proposed Transbay Redevelopment Plan. Mr. Luis stated that generally, there would be higher limits inland and gradually lower height limits toward the water.

Executive Director Rosen stated that there would be recommended height limits as well as other planning guidelines in the Transbay Redevelopment Plan that would be approved by both the Agency Commission and the Board of Supervisors. If there were Planning Code changes, those would be approved by the Planning Commission and the Board of Supervisors as well.

Commissioner Yee stated that the acquisition cost for the parcel was not cheap, but if more housing units with higher density were built, it may lessen the cost for acquiring the property. Mr. Yee verified that the cost for site remediation was \$1.5 million.

Mr. Luis affirmed that the site remediation cost for the site was estimated at \$1.5 million and was provided by the Agency's hazardous materials consultant.

Commissioner Singh asked if the Agency would be developing the site and what were the plans for developing the site.

Mr. Luis stated that it was not certain if the Agency would develop the site, and may issue a RFQ or RFP to develop the site. Mr. Luis explained that development scenarios would be prepared following acquisition of the site and the Agency had five years to develop the site following acquisition.

Executive Director Rosen stated that staff would prepare various development alternatives for the site and would work with the CAC and the City and bring recommendations to the Commission. The Agency was committed to developing a substantial number of affordable housing units within Transbay and the current estimate was between 25 and 35% affordable housing units. The Mayor's Office had requested the Agency to acquire surplus properties for the development of affordable housing and development of the site would achieve the Agency's goal of eliminating blight, developing much needed affordable housing and assisting in the development of the Transbay terminal with the adoption of the Transbay Redevelopment Plan. Ms. Rosen added that various City departments supported the acquisition of the site.

Commissioner Singh asked which City departments supported the acquisition and asked what the total cost of the project was. Mr. Singh asked if the Agency had specific plans for the development of the site.

Executive Director Rosen informed the Commission that the Mayor's Office had requested the Agency to purchase the site, and the City's Real Estate Division and the Department of Public Works supported the acquisition. The Board of Supervisors' Finance Committee approved the acquisition and it was scheduled to be heard by the full Board at its June 10th meeting. Ms. Rosen stated that staff did not have an estimate of the total project costs until it prepared a development program for the site. Ms. Rosen stated that the current plan was to develop the site with up to 270 low- and moderate-income rental housing units and the acquisition cost translated into \$44,000 per unit cost. Ms. Rosen stated that staff believed that the acquisition cost, although high, was a reasonable price including remediation.

Commissioner Palamountain put forth a motion to adopt item 4 (e) and stated that she agreed with the Executive Director that the acquisition cost was reasonable and the risks were outweighed the benefits of the project.

Commissioner Romero seconded Commissioner Palamountain's motion.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 79-2003, AUTHORIZING AN AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY WITH THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, IN AN AMOUNT NOT

TO EXCEED \$10,034,140.00, FOR THE ACQUISITION OF LOT 27, IN ASSESSOR'S BLOCK 3740, LOCATED ON SPEAR STREET BETWEEN HOWARD AND FOLSOM STREETS, FOR THE DEVELOPMENT OF UP TO 270 LOW- AND MODERATE-INCOME RENTAL HOUSING UNITS; TRANSBAY REDEVELOPMENT SURVEY AREA AND THE CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (f) Resolution No. 80-2003, Authorizing the issuance, sale and delivery of Multifamily Housing Revenue Bonds in an aggregate principal amount not to exceed \$7,400,000 to assist Herald Apartments, L.P., a California limited partnership, with the acquisition and rehabilitation of residential facilities located at 308 Eddy Street, San Francisco, Authorizing a Master Pledge and Assignment, a Master Agency Agreement, and a Regulatory Agreement with respect to such bonds, and Approving and Authorizing all actions and documents relating thereto; Citywide Tax Increment Housing Program

Presenters: Jeff White (Agency staff)

Speakers: Susan Bryan

Commissioner Singh referred to documents distributed to the Commission and asked when staff completed the documents. Mr. Singh stated that the Commission would not have adequate time to review the documents since they were distributed at the Commission meeting.

Mr. Jeff White stated that the documents were completed the previous Friday and copies were provided to the Commission at President Sexton's request.

President Sexton clarified that she requested the underlying bond documents from staff that day and was only for her personal reference.

Commissioner King stated that the Commission just received the documents and there should be adequate time to review the documents. Mr. King put forth a motion to continue the matter for one week in order for the Commission to have time to review the documents.

President Sexton stated that the underlying bond documents were lodged with the Agency General Counsel and were not generally provided to the Commission and the Commission had previously approved bond issuances without receiving copies of the underlying bond documents.

Executive Director Rosen added that the underlying bond documents were reviewed by the Agency's bond counsel on behalf of the Agency and were not generally reviewed by the Commission. As a courtesy to President

Sexton, when she requested the documents, staff provided copies to the rest of the Commission. The Commission had not previously received copies of the underlying bond documents, which were reviewed by General Counsel and not the Commission.

Commissioner King recalled that he had the same argument with the previous Executive Director about not reviewing who the bond counsel was for the Agency's bond issuances.

Executive Director Rosen reminded the Commission that it recently reviewed and approved a panel of bond counsel and recalled Commissioner King's reflection that the panel had very good diversity and was well-qualified. The issue before the Commission was whether or not the Commission had reviewed legal documentation related to bond issuances and the Commission had not previously reviewed bond documentation before.

Commissioner King stated that he disagreed with the Executive Director and the Commission President because it was the Commission's authority to determine who the bond counsel was and their hiring practices.

Executive Director Rosen reminded the Commission that it had taken all of the preliminary steps that led to the proposed bond issuance, which was the final step to financing the project, a project that would be developed by a private developer in order to save the 72 affordable units. Ms. Rosen added that there was no risk to the Agency and that the action would preserve the affordability of the housing units, consistent with the Agency's Preservation Program.

President Sexton reminded the Commission that it previously approved the inducement resolution for this specific bond issuance and the confusion arose from her request of the underlying bond documents purely for her personal interest and reference.

Commissioner King asked if the bond counsel was in attendance at the meeting and asked what their affirmative action program was.

Mr. Eric Tashman of Sidley Austin Brown & Wood LLP, one of the firms on the Agency's panel of bond counsel, stated that he did not have the specific workforce statistics for their firm, but they had been lodged with the Agency's General Counsel and assured the Commission that their firm had substantial diversity, which was reviewed extensively by Agency staff.

Commissioner Romero stated that he recalled when the Commission approved the panel for the bond counsel and that he was surprised to see that the panel had the significant diversity they had on their workforce. Mr.

Romero stated that staff did and continue to do a great job of finding diverse law firms for highly specialized fields and the debate about diversity would always be there, but the question before the Commission was whether or not it would support preserving 72 units of affordable housing units to assist the needy residents of the City. Mr. Romero put forth a motion to adopt item 4 (f).

Commissioner Yee informed President Sexton that the Commission had previously received similar documents in the past and stated that he agreed with Commissioner King's concerns about workforce diversity and the need for adequate time to review documents before considering approval of projects. Mr. Yee stated that he agreed with Commissioner Romero's statements about the Agency's panel of bond counsel and its good workforce diversity.

Commissioner Singh asked what the Executive Director meant when she said approval of the matter was "time of the essence," because he would like the matter delayed for a week or two in order to review the documents.

Executive Director Rosen stated that the bond issuance was scheduled to close on June 13th and since the next scheduled Commission meeting was on June 10th, staff would only have a few days to prepare all of the required documentation.

President Sexton reminded the Commission of the time constraint involved in the bond issuance and to delay the matter would not be wise. Ms. Sexton urged the Commission to support the item and not delay action.

Commissioner Palamountain seconded Commissioner Romero's motion to adopt item 4 (f). Ms. Palamountain stated that it was unfortunate to have the confusion on the very first partnership with a for-profit developer on an important preservation project. Ms. Palamountain stated that she was open to further discussion about review of underlying bond documents, but that should take place within the context of broader Agency policy discussion.

Commissioner King stated that he recalled lengthy discussions about the diversity of outside bond counsel and the Agency's desire to have significant minority participation in the Agency's work. Mr. King stated that it was the Commission's responsibility to ensure minority hiring by firms doing business with the Agency because there were still some firms that continue to not participate in the Agency's equal opportunity program. Mr. King expressed concerns about the workforce diversity of the firms and suggested that the Commission review the firms' compliance with the Agency's equal opportunity program.

President Sexton agreed that there should be a discussion with staff on how the Agency's work was distributed among the majority and minority firms on the panel of bond counsel.

Executive Director Rosen assured the Commission that the information would be provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, THAT ITEM 4 (f) RESOLUTION NO. 80-2003, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,400,000 TO ASSIST HERALD APARTMENTS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, WITH THE ACQUISITION AND REHABILITATION OF RESIDENTIAL FACILITIES LOCATED AT 308 EDDY STREET, SAN FRANCISCO, AUTHORIZING A MASTER PLEDGE AND ASSIGNMENT, A MASTER AGENCY AGREEMENT, AND A REGULATORY AGREEMENT WITH RESPECT TO SUCH BONDS, AND APPROVING AND AUTHORIZING ALL ACTIONS AND DOCUMENTS RELATING THERETO; CITYWIDE TAX INCREMENT HOUSING PROGRAM BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Ms. Palamountain
Mr. Romero
Mr. Yee
Ms. Sexton

AND THE FOLLOWING VOTED "NAY":

Mr. Singh

AND THE FOLLOWING WERE ABSENT:

Mr. Dunlop

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (5) AYES, ONE (1) NAY, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT ITEM 4 (f), RESOLUTION NO. 80-2003, WAS ADOPTED.

4 (g) Resolution No. 81-2003, Authorizing a First Amended and Restated Tax Increment Loan Agreement with 480 Valencia, Inc., a California nonprofit public benefit corporation, to delete the security for the Agency loan and Authorizing a repayment guarantee agreement with Citibank, FSB, a California corporation, for an amount not to exceed \$2,050,000 in conjunction with the acquisition of 63 very low income family rental units at Mariposa Gardens Apartments, 2445 Mariposa Street, as part of the Agency's Housing Preservation Program; Citywide Tax Increment Housing Program

Presenters: Pam Sims(Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 81-2003, AUTHORIZING A FIRST AMENDED AND RESTATED TAX INCREMENT LOAN AGREEMENT WITH 480 VALENCIA, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO DELETE THE SECURITY FOR THE AGENCY LOAN AND AUTHORIZING A REPAYMENT GUARANTEE AGREEMENT WITH CITIBANK, FSB, A CALIFORNIA CORPORATION, FOR AN AMOUNT NOT TO EXCEED \$2,050,000 IN CONJUNCTION WITH THE ACQUISITION OF 63 VERY LOW INCOME FAMILY RENTAL UNITS AT MARIPOSA GARDENS APARTMENTS, 2445 MARIPOSA STREET, AS PART OF THE AGENCY'S HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Derek Smith, Brian Rodrigues, Jeffrey Yee, Dwayne Jones, Andrew Bozeman, Francisco Da Costa

7. **REPORT OF THE PRESIDENT**

- President Sexton asked about Mary Rogers' whereabouts and noted her absence at two previous Commission meetings.

Executive Director Rosen informed the Commission that Mrs. Rogers had been ill the past two weeks, but spoke with her the previous Friday and she

was feeling a little better. Ms. Rosen stated that she expressed to Mrs. Rogers the Commission's well wishes for a speedy recovery.

- President Sexton asked Commission Secretary Tanjuaquio for a list of resolutions adopted by the Commission for the current calendar year.
- President Sexton requested a report on the bond counsel utilization since the panel was formed, including use of other outside counsel broken down by majority and minority firms with contract amounts.
- President Sexton expressed concerns with testimony from Mission Bay minority contractors about non-payment or delayed payment by Catellus. Ms. Sexton stated that in the short time that she had been on the Commission, the non-payment of minority contractors in Mission Bay had been raised with the Commission in previous meetings and found the situation incredible and embarrassing for such a significant project as Mission Bay.

Executive Director Rosen stated that there had been good progress with the previous problems of processing change orders and a new system had devolved from meetings between the contractors and Catellus. The matter raised by Mr. Derek Smith and others involved a new request on conversion of the contracts to a time and materials contract. Ms. Rosen noted that Marinship wrote the letter to Granite Construction, the prime contractor, on May 20th and Catellus had just received the letter and was not able to attend the Commission meeting, but as soon as staff received a copy of Marinship's letter, Catellus was contacted and efforts were underway to resolve the issues. Ms. Rosen stated that a progress report would be provided to the Commission at the June 10th meeting.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Memorandum from the California Redevelopment Association with the good news that both houses of the State legislature seemed opposed to a structural shift that would take money away from redevelopment agencies. A conference committee would determine the amount of the one-year shift.
- Reception for Ed Ong on Tuesday, June 3rd at 6:30 p.m., Yerba Buena Center for the Arts.
- Update on the Fillmore Bridge project – Agency and Arts Commission staff inspected the artwork on June 21st and developed a punch list that was scheduled to be completed in two weeks time. Staff looked forward to the final completion of the project in time for the Juneteenth Festival.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Romero expressed serious concerns about testimony of continuing problems with non-payment of sub-contractors. Mr. Romero stated that he was glad to hear that the matters raised were not the same ones brought previously to the Commission's attention, but it was still an issue with the way Catellus was reportedly dealing with minority contractors. Mr. Romero stated that he did not want to make any judgments until he heard from Catellus, but the contractors seemed like sincere, honest and hard-working businessmen and it was bothersome to hear reported non-payment of the minority contractors. Mr. Romero urged staff to thoroughly investigate the situation and stated that he would like to hear from Catellus, because the reports exhibited a bad pattern of behavior from one of the biggest developers in town. Mr. Romero stated that the non-payment issue should not taint the future approvals of Mission Bay projects and urged Catellus to resolve the issues.

Executive Director Rosen stated that she regretted that Catellus was not able to attend the meeting, but had committed to attend the June 10th meeting to address the issues. Ms. Rosen assured the Commission that staff would express to Catellus the Commission's deep concerns. Ms. Rosen added that the old issue of reducing the 10% retention to 5% had been accomplished, however, there were new requests that included release of some of the retention money and a conversion of the contract to a time and materials contract that Catellus was reviewing. Ms. Rosen stated that staff understood the seriousness of the matter and was committed to resolving the issues with all parties involved, but explained that the infrastructure contract resulted in many unforeseen conditions and most of the work of the contract were actually outside of the scope of the original contract and most systems set up for dealing with construction disputes presumed that the bulk of the contract dollars were in the contract and that change orders would constitute only a minority of the contract dollars. In this situation, the exception was greater than the rule; the systems in place relating to retention and processing of payments were usually based on the total amount of the contract dollars. But in this case, so much of the work was outside of the original contract amount. It was ironic that both Catellus and Granite had maintained good minority contract participation records, and now, all of that good faith and track record were in jeopardy because of the structure of the contract. Staff understood the seriousness of the issues and remained committed to the success of minority contractors.

- Commissioner Romero thanked Ms. Rosen for her response and stated that when the exceptions become so great, the exceptions become the rule and suggested that maybe the rules for the relationship needed to be changed, because there was a lot of good will at stake.

- Commissioner Yee stated that he was glad to hear that the retention amount was reduced to the more reasonable 5% and recalled that he had suggested that previously. Mr. Yee suggested that the request to Catellus to appear before the Commission be done in writing. Mr. Yee shared that as a member of the State Contractors' Licensing Board, he had often suggested to contractors to include language in their contract for legal remedies that would make the failing party responsible for attorneys fees and suggested the same to the minority contractors.

Executive Director Rosen stated that the invitation to Catellus would be done in writing.

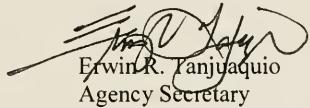
- Commissioner Palamountain reported that she met with Mr. Derek Smith earlier (May 27th) about the non-payment issue. Ms. Palamountain thanked Mr. Smith, Mr. Rodrigues and Mr. Yee for the tone and spirit of their comments that conveyed a sense of cooperation and desire to resolve the issues. Ms. Palamountain stated that she was glad to see Mr. Yoseph from the Mayor's Office of Economic Development in attendance because it was an indication of the City's commitment. Ms. Palamountain noted that one of Mr. Smith's request was for Catellus and the City to release the retention funds and because this was an infrastructure project where the City was also very involved and had to sign-off on such requests, maybe there was an opportunity for the City and the Agency to look at revising existing policies dealing with minority contractors so that they did not have to front such large amounts of money. Ms. Palamountain expressed concerns that the infrastructure work in Mission Bay although significant, was only a warm-up to what was expected to occur in the Hunters Point Shipyard where substantial investment for massive public infrastructure was required. Ms. Palamountain stated that she would like to hear from the minority contractors about how the City and the Agency can help accommodate other minority contractors for anticipated work in the Shipyard and reiterated her desire for policy changes to not require minority contractors to front large sums of money for the contract work, in order to remain viable participants on large-scale City/Agency projects.
- Commissioner King stated that the City established the policies for infrastructure development, but it was Catellus' responsibility to pay the contractors and Catellus need to address the issue before the Commission. Mr. King stated that the non-payment of minority contractors cannot be blamed on the City and the Agency because the developer had the responsibility to pay all of its contractors.

10. CLOSED SESSION: None.

11. ADJOURNMENT

It was moved by Ms. Palamountain, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:55 p.m.

Respectfully submitted,



Erwin R. Tanjuaqio
Agency Secretary

APPROVED:

June 10, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF JUNE 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 10th day of June 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

SEP 13 2007

Leroy King

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of May 27, 2003

- 4 (b)** Resolution No. 82-2003, Authorizing a First Amendment to the Personal Services Contract with EIP Associates, a California corporation, to extend the term for one year for preparation of an Environmental Impact Report for the proposed project area; Bayview Hunters Point Redevelopment Survey Area
- 4 (c)** Resolution No. 83-2003, Authorizing the application and acceptance of a grant from the U. S. Department of Housing and Urban Development for a total amount not to exceed \$1,370,000 to fund the second start rental subsidy and service program as part of the Housing Opportunities for Persons With AIDS Special Projects of National Significance Program

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF MAY 27, 2003, 4 (b) RESOLUTION NO. 82-2003, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH EIP ASSOCIATES, A CALIFORNIA CORPORATION, TO EXTEND THE TERM FOR ONE YEAR FOR PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED PROJECT AREA; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, AND 4 (c) RESOLUTION NO. 83-2003, AUTHORIZING THE APPLICATION AND ACCEPTANCE OF A GRANT FROM THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR A TOTAL AMOUNT NOT TO EXCEED \$1,370,000 TO FUND THE SECOND START RENTAL SUBSIDY AND SERVICE PROGRAM AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SPECIAL PROJECTS OF NATIONAL SIGNIFICANCE PROGRAM, BE ADOPTED.

REGULAR AGENDA

President Sexton asked that item 4 (n) of the Agenda be called first and considered as staff was recommending a continuance of the matter. Ms. Sexton entertained a motion for continuance.

- 4 (n)** Resolution No. 94-2003, Authorizing a Lease Agreement with Young Community Developers, Inc., a California nonprofit public benefit corporation, for 5600 Third Street, to conduct its job training activities; Bayview Hunters Point Redevelopment Survey Area and Citywide Tax Increment Housing Program

Commissioner Romero stated that he had read the letter from Young Community Developers stating that they were in agreement with staff's recommendation to continue the matter until the meeting of July 8, 2003. Mr. Romero put forth a motion to continue the matter until July 8, 2003.

Commissioner Dunlop seconded Commissioner Romero's motion.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (n) AUTHORIZING A LEASE AGREEMENT WITH YOUNG COMMUNITY DEVELOPERS, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR 5600 THIRD STREET, TO CONDUCT ITS JOB TRAINING ACTIVITIES; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA AND CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE CONTINUED TO THE COMMISSION MEETING OF JULY 8, 2003.

The Commission resumed discussion of the Regular Agenda

Items 4 (d) and (e) were presented together and acted upon separately.

- 4 (d)** Resolution No. 84-2003, Authorizing a First Amendment to the Owner Participation/Disposition and Development Agreement with Emporium Development, L.L.C., a California limited liability company, to terminate the financing agreement, delete the hotel from scope of development, extend the performance schedule, permit a significant change in the developer entity to admit Westfield America, Inc., a Missouri corporation, and other related changes; Yerba Buena Center Redevelopment Project Area
- 4 (e)** Resolution No. 85-2003, Authorizing a First Amendment to the Owner Participation Agreement with Bloomingdale's, Inc., an Ohio corporation, to delete reference to financing agreement and hotel, in conformance with the amended Owner Participation and Disposition and Development Agreement with the Emporium Site; Yerba Buena Center Approved Redevelopment Project Area

Presenters: William Carney (Agency staff), Natalie Berg (Forest City)

Speakers: Don Marcos, John Elberling, Douglas Perry

Commissioner Dunlop put forth a motion to adopt item 4 (d) and stated that the project was a long-time coming and complimented Agency staff, Forest City and the community for the hard work. Mr. Dunlop specifically thanked Forest City for its continued commitment to the Filipino-American community and for the historic preservation of the Emporium building.

Commissioner Romero seconded Commissioner Dunlop's motion to adopt item 4 (d) and congratulated Agency staff, Forest City and the community.

Commissioner Yee stated that he wished there was not a lawsuit that caused the delay, but was thrilled to see the progress and the project moving forward. Mr. Yee stated that he was glad to see that the hotel component was being removed because of the low occupancy rates resulting from the bad economy. Mr. Yee stated that the Commission was honored to have two solid and qualified developers in the country working on the project. Mr. Yee inquired about the reported ownership arrangement of the project and asked for clarification.

Executive Director stated that there was no other party contemplated other than Forest City and Westfield America.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 84-2003, AUTHORIZING A FIRST AMENDMENT TO THE OWNER PARTICIPATION/DISPOSITION AND DEVELOPMENT AGREEMENT WITH EMPORIUM DEVELOPMENT, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY, TO TERMINATE THE FINANCING AGREEMENT, DELETE THE HOTEL FROM SCOPE OF DEVELOPMENT, EXTEND THE PERFORMANCE SCHEDULE, PERMIT A SIGNIFICANT CHANGE IN THE DEVELOPER ENTITY TO ADMIT WESTFIELD AMERICA, INC., A MISSOURI CORPORATION, AND OTHER RELATED CHANGES; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 85-2003, AUTHORIZING A FIRST AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH BLOOMINGDALE'S, INC., AN OHIO CORPORATION, TO DELETE REFERENCE TO FINANCING AGREEMENT AND HOTEL, IN CONFORMANCE WITH THE AMENDED OWNER PARTICIPATION AND DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE EMPORIUM SITE; YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (f) through (j) were presented together and acted upon separately.

- 4 (f)** Resolution No. 86-2003, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Catholic Charities of the Archdiocese of San Francisco, a California nonprofit public benefit corporation, in an amount not to exceed \$1,270,018, for July 1, 2003 to June 30, 2004, for the Leland House at 141 Leland Avenue, to provide program operating and service costs for people living with HIV/AIDS
- 4 (g)** Resolution No. 87-2003, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Catholic Charities of the Archdiocese of San Francisco, a California nonprofit public benefit corporation, in an amount not to exceed \$674,231, for July 1, 2003 to June 30, 2004, for the Peter Claver Community facility located at 1340 Golden Gate Avenue, to provide program operating and service costs for people living with HIV/AIDS
- 4 (h)** Resolution No. 88-2003, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Dolores Street Community Services, a California nonprofit public benefit corporation, in an amount not to exceed \$431,415, for July 1, 2003 to June 30, 2003, for the Richard M. Cohen Residence, a residential care facility located at 220 Dolores Street, to provide program operating and service costs for people living with HIV/AIDS
- 4 (i)** Resolution No. 89-2003, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Larkin Street Youth Services, a California nonprofit public benefit corporation, in an amount not to exceed \$313,330, for July 1, 2003 to June 30, 2003, for its assisted care facility at 129 Hyde Street to provide program operating and service costs for youth living with HIV/AIDS
- 4 (j)** Resolution No. 90-2003, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Maitri, a California nonprofit public benefit corporation, in an amount not to exceed \$442,950, for July 1, 2003 to June 30, 2004, for its residential care facility located at 401 Duboce Street, to provide program operating and service costs for people living with HIV/AIDS

Presenters: Chris Harris, Elizabeth Colomello (Agency staff)

Commissioner Dunlop thanked staff for its continued hard work particularly during difficult budget times and the reduction of HOPWA funding. Mr. Dunlop commended staff for its heart, talents and skills for maintaining the badly needed HOPWA supportive services program even with the recommended budget reductions for the service providers, while retaining the same level of services for the residents. Mr. Dunlop stated that HIV/AIDS would afflict many people for a long time and it was important to be

vigilant about the supportive services program and applauded staff's continued perseverance and dedication to the program.

Commissioner Palamountain thanked staff and agreed with Commissioner Dunlop's statements. Ms. Palamountain asked if the Agency was exploring other alternatives for keeping the program intact in light of anticipated budget reductions given that the residential care facilities were operating on bare bones and providing very basic services. Ms. Palamountain asked if there were any plans for new capital projects.

Ms. Elizabeth Colomello, Development Specialist, stated that staff was discussing strategies with the service providers particularly fundraising efforts in anticipation of further funding reductions. Ms. Colomello stated that there were no current plans for new capital projects.

Commissioner Singh commended staff for its continued hard work and asked if there were representatives of the service providers in attendance.

Ms. Colomello stated that representatives of the service providers were all in attendance and introduced them to the Commission.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (f) RESOLUTION NO. 86-2003, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES OF THE ARCHDIOCESE OF SAN FRANCISCO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,270,018, FOR JULY 1, 2003 TO JUNE 30, 2004, FOR THE LELAND HOUSE AT 141 LELAND AVENUE, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (g) RESOLUTION NO. 87-2003, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES OF THE ARCHDIOCESE OF SAN FRANCISCO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$674,231, FOR JULY 1, 2003 TO JUNE 30, 2004, FOR THE PETER CLAVER COMMUNITY FACILITY LOCATED AT 1340 GOLDEN GATE AVENUE, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (h) RESOLUTION NO. 88-2003, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH DOLORES STREET COMMUNITY SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$431,415, FOR JULY 1, 2003 TO JUNE 30, 2003, FOR THE RICHARD M. COHEN RESIDENCE, A RESIDENTIAL CARE FACILITY LOCATED AT 220 DOLORES STREET, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (i) RESOLUTION NO. 89-2003, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH LARKIN STREET YOUTH SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$313,330, FOR JULY 1, 2003 TO JUNE 30, 2003, FOR ITS ASSISTED CARE FACILITY AT 129 HYDE STREET TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR YOUTH LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (j) RESOLUTION NO. 90-2003, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH MAITRI, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$442,950, FOR JULY 1, 2003 TO JUNE 30, 2004, FOR ITS RESIDENTIAL CARE FACILITY LOCATED AT 401 DUBOCE STREET, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

Items 4 (k) and (l) were presented together and acted upon separately.

4 (k) Resolution No. 91-2003, Authorizing a 2003-2004 Fiscal Agent Agreement with the County of San Mateo in an amount not to exceed \$670,000, from July 1, 2003 to June 30, 2004, as part of the Housing Opportunities for Persons With AIDS Program

4 (I) Resolution No. 92-2003, Authorizing a 2003-2004 Fiscal Agent Agreement with the County of Marin in an amount not to exceed \$468,000, from July 1, 2003 to June 30, 2004, as part of the Housing Opportunities for Persons With AIDS Program

Presenters: Chris Harris (Agency staff)

Commissioner Dunlop inquired about the reported one-half of a three-bedroom unit that was designated for a person with HIV/AIDS and asked for an explanation.

Mr. Roy Bateman of the Marin County Community Development Agency, stated that one of the three-bedrooms would be a floating, shared transitional housing unit for a person with HIV/AIDS and it would be permanent housing.

Commissioner Dunlop stated that it was great that HOPWA was providing the much-needed permanent housing and that it was unfortunate that there were proposed budget cuts for such an important program for a very serious problem not only in San Francisco, but the whole country. Mr. Dunlop acknowledged and thanked Mr. John Conley from the County of San Mateo as well as Mr. Roy Bateman from the County of Marin for their continued hard work and advocacy on the HOPWA program.

Commissioner Singh asked how much HOPWA money was allocated for San Francisco and suggested that more funding should be requested for such an important program.

Ms. Chris Harris, Senior Development Specialist, stated that the total allocation for the San Francisco Eligible Metropolitan Statistical Area was \$7,160,000, which represented a 13.5% reduction from \$8,160,000.

ADOPTION: IT WAS MOVED BY, MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (k) RESOLUTION NO. 91-2003, AUTHORIZING A 2003-2004 FISCAL AGENT AGREEMENT WITH THE COUNTY OF SAN MATEO IN AN AMOUNT NOT TO EXCEED \$670,000, FROM JULY 1, 2003 TO JUNE 30, 2004, AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING

ABSENT), THAT ITEM 4 (!) RESOLUTION NO. 92-2003, AUTHORIZING A 2003-2004 FISCAL AGENT AGREEMENT WITH THE COUNTY OF MARIN IN AN AMOUNT NOT TO EXCEED \$468,000, FROM JULY 1, 2003 TO JUNE 30, 2004, AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

4 (m) Resolution No. 93-2003, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Catholic Charities of the Archdiocese of San Francisco, a California nonprofit public benefit corporation, in an amount not to exceed \$260,000 for July 1, 2003 to June 30, 2004, for the supportive services related to the HOPWA Rental Subsidy Program

Presenters: Pam Sims (Agency staff)

Speakers: Dr. Glenn Motola

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (m) RESOLUTION NO. 93-2003, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES OF THE ARCHDIOCESE OF SAN FRANCISCO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$260,000 FOR JULY 1, 2003 TO JUNE 30, 2004, FOR THE SUPPORTIVE SERVICES RELATED TO THE HOPWA RENTAL SUBSIDY PROGRAM, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Wilma Parker

7. REPORT OF THE PRESIDENT

- President Sexton thanked staff for its hard work and dedication to the HOPWA Supportive Services Program and complimented staff for a job well done.

8. REPORT OF THE EXECUTIVE DIRECTOR

(a) Update on Mission Bay infrastructure contracting payment matters

Presenters: Chris Iglesias (Agency staff)

Speakers: Derek Smith

Commissioner Dunlop stated that he acknowledged the complicated process of change orders and unforeseen project complications, but the reality was that a minority contractor could go out of business if it was not paid. Mr. Dunlop stated that he was aware that it was much more complicated than just writing Marinship a check for the work that had been done, but in the meantime, people could lose their jobs and urged that Catellus figure out a way to be creative and proactively resolve the payment issue, so that the City did not lose an otherwise viable minority contractor.

Commissioner Palamountain thanked staff for the informational memorandum, and asked for an explanation of the distinction between the requested conversion to a time and material contract and the claims process to receive payment.

Mr. Larry Wong of the Bureau of Construction Management of the Department of Public Works, explained that documentation was required to convert the contract into a time and materials contract, which was unusual in the construction industry. Marinship requested the conversion through the prime contractor, Granite Construction, which forwarded the request to Catellus. Catellus responded by asking for documentation for the requested conversion. Mr. Wong stated that filing a claim was a last resort to resolve the dispute, and in the case of Marinship, the proper terminology was to seek a negotiated settlement for the amount in question.

Mr. Derek Smith of Marinship, informed the Commission that the only documentation that had not been provided to Granite and Catellus was a detailed schedule analysis, which entailed a lot of work and would take at least six months to complete.

Mr. Greg Cannon of Granite Construction, stated that it had not yet begun to do its detailed schedule analysis and that would be done when the work was completed within the next month or two. Mr. Cannon stated that it could take six months to prepare the detailed schedule analysis. Mr. Cannon stated that the dispute could be resolved with either a time and materials contract or through a detailed schedule analysis, but that the time and materials contract was the more straightforward way to achieve resolution with less time. Mr. Cannon stated that in his opinion, a time and materials contract conversion was not very unusual.

President Sexton asked what a time and materials contract entailed, and if the documentation for the work that had been done could be used as verification to pay the past due invoices from Marinship, instead of going through the detailed schedule analysis process, which would take a very long time.

Mr. Ashur Yoseph of the Mayor's Office of Economic Development, stated that a time and materials contract was for the actual work hours performed and materials purchased, as documented and verified by on-field surveys. Mr. Yoseph stated that conversion from a lump sum to a time and materials contract was highly unusual, especially with 95% of the work already completed. Mr. Yoseph explained that the City has its own procedures for reimbursing Catellus for the infrastructure work in Mission Bay and insisted on detailed documentation and auditing of all invoices submitted by Catellus. If Catellus wrote a check to pay Marinship without the required documentation, the City could not reimburse Catellus.

Commissioner Romero thanked everyone for coming to the meeting and stated that he understood the situation better with the data provided by staff. For example, there were 10 prime contractors and 94 sub-contractors, 69 of which are minority or women business enterprises. To date, he recalled only three sub-contractors that had come before the Commission to raise payment concerns. Marinship itself, according to records, had been paid \$4.1 million and the complaint was only for \$300,000. No one had said that Marinship would not be paid, but in the normal course of the payment process for change orders, the payment would be delayed. Mr. Romero stated that as he understood it, there was no intended wrongdoing and the delay was a result of the complexity of the construction project and the many unforeseen conditions in the project. Mr. Romero stated that he really did not see any misconduct on Catellus' part since Marinship had been paid \$4.1 million and it had been paid most of what it was owed, and there was now a need to verify the recent invoices for the change orders. Mr. Romero stated that he understood the need for verification and the detailed schedule analysis required by both Catellus and the City. Mr. Romero stated that Catellus should now see how concerned the Commission was with minority contractors succeeding in large projects and urged all parties involved to work together to resolve a very complicated issue.

Commissioner Palamountain stated that she agreed with Commissioner Romero's statement that the issue was very complicated and that resolution of the dispute should be left with the business people involved in the contract. Ms. Palamountain stated that there seemed to be competing or contradicting City policies, which required detailed documentation and verification for payment of invoices and the City's policy to encourage local, small minority firms to participate successfully in public projects. Ms. Palamountain stated that the issue was not the \$4.1 million that

Marinship had been paid, but the \$300,000 owed for work that was done and completed, and in Marinship's viewpoint, it is entitled to be paid that amount. Ms. Palamountain stated that she was getting a stronger sense that the City's need for detailed documentation, which she understood and appreciated, was running up against the City's desire for local minority firms to participate in an equitable way on City contracts and encouraged everyone to resolve the two seemingly competing policies because they did not need to conflict with each other. Ms. Palamountain stated that she would not want the Commission to take any action on the matter, and encouraged all parties involved to work together to resolve the dispute.

President Sexton stated that she agreed with Commissioner Palamountain's statements and as a former San Francisco City employee who now worked for the City of Oakland, she knew that certain City policies sometime conflict with each other. Ms. Sexton stated she believed that Marinship needed to be paid the \$300,000 owed in order to stay in business because unlike larger majority firms, Marinship did not have the same access to capital to weather difficult economic times. Ms. Sexton stated that she was confident that Catellus, Granite, Marinship and the Mayor's Office would be able to work together and resolve the issue. Ms. Sexton expressed that in the short time that she had been on the Commission, the matter had been raised three times and it was frustrating, disappointing and embarrassing not only to the Agency, but to the whole City, because the dispute should have been resolved more expediently. Ms. Sexton stated that she agreed that the Commission should not take action, but suggested the matter be on the weekly Agenda until the matter was resolved.

Commissioner Yee stated that the Commission should not take action on the matter and after hearing his fellow Commissioners speak, his own questions had been answered completely. Mr. Yee stated that Catellus, as a big major developer, should accommodate the smaller minority contractors and pay them expeditiously for the work that they perform. Mr. Yee stated that the six months it would take to complete the detailed schedule analysis required by Catellus and the City would be too long for a small contractor not to be paid because it would not survive the same way prime contractors would because of their significant reserves. Mr. Yee stated that he hoped Catellus could help Marinship and Catellus' presence was appreciated as well as its kind cooperation on the issue.

Executive Director Rosen continued with her report.

- Juneteenth Festival on the weekend of June 14th and 15th from 11:00 a.m. to 7:00 p.m. with the parade on Saturday, June 14th beginning at 11:00 a.m. at the Golden Gate Park Panhandle at Fell and Masonic Streets. There will be a concert Friday evening, June 13th at the Bill

Graham Auditorium. Mayor Brown to kick-off the celebration on Thursday noon, June 12th at City Hall.

- Third and final public workshop for the Transbay Design for Development on June 18th at 5:30 p.m. at the Forum in the Yerba Buena Center for the Arts. After the workshop and public input compiled, a Commission workshop would be scheduled shortly.
- June 10th Board of Supervisors meeting where the Board was scheduled to consider approval of the transfer of the Transbay parcel to the Agency – will report back to the Commission.
- June 12th, first Agency budget hearing before the Board of Supervisors at 2:00 p.m. – staff would be presenting the Agency's budget, with action on the budget scheduled at the end of June.
- Thanked and congratulated staff on the close of escrow for the transfer of the Muni substation parcel to the Agency. An informational memorandum would be provided to the Commission the following week detailing the steps and process for developing the property.
- Report from the Executive Director of the California Redevelopment Association regarding the State budget. The Governor had proposed a \$250 million shift from redevelopment agencies statewide to the State's education fund and the Senate agreed with the shift and the Assembly did not. The Senate and Assembly were in conference committee and discussing reworking the proposed cuts to local government that could be potentially damaging in the long term because the proposed shift was not a one-time, one-year shift, but multiple years. Staff would continue to work with the Mayor's Office and keep the Commission informed.
- Announced the passing of former Agency employee and founder of the Friends of Jazz, Pat Nacey and would inform the Commission of the memorial service.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee asked if the Commission Secretary heard from Commission King because he was not in attendance at the meeting.

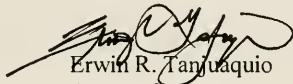
Commission Secretary Erwin R. Tanjuaquio informed the Commission that he did not hear from Commissioner King prior to the meeting, but would call him at the conclusion of the meeting and inform Commissioner Yee.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT**

It was moved by Mr. Yee, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:52 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

June 17, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF JUNE 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of June 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee (arrived at 4:07 p.m.)

DOCUMENTS DEPT.

And the following were absent:

SEP 13 2007

Mark Dunlop

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY.** None.

3. MATTERS OF UNFINISHED BUSINESS: None

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of June 10, 2003

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT AND MR. KING ABSTAINING) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF JUNE 10, 2003, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 95-2003, Authorizing a Letter Agreement with the Mayor's Office of Community Development for a period of three years in the amount of \$628,233 for FY 2003-04, \$647,080 for FY 2004-05 and \$666,493 for FY 2005-06, subject to appropriation of funds, for an aggregate amount not to exceed \$1,941,806 for administrative costs and business development contracts with South of Market Foundation AKA Urban Solutions (all Redevelopment Project and Survey Areas) and San Francisco Renaissance (all Redevelopment Project Areas and Bayview Hunters Point Survey Area)

Presenters: Randi Smith (Agency staff)

Speakers: Sasha Merritt, Mary Helen Rogers

Commissioner Singh inquired about the number of clients served by Urban Solutions during the last year and requested a list of the clients served. Mr. Singh asked how many received loans and how many staff Urban Solutions had and its total annual budget. Mr. Singh asked where the businesses served were located and what the largest loan amount was.

Mr. Roger Gordon of Urban Solutions responded that it had served about 300 clients during the past three to four years and had assisted in providing about 50 loans. Mr. Gordon stated that Urban Solutions employed seven full-time employees. The current budget was \$500,000, 65% of which was funded by the Agency and rest by the Haas Junior Foundation, San Francisco Foundation, Wells Fargo Foundation and a small grant from the Mayor's Office of Economic Development. Mr. Gordon stated that most of the businesses served were in the South of Market area and a few in the Fillmore district. The largest loan amount was for \$150,000 funded through the Mayor's Office of Economic Development.

Commissioner King recalled that the Agency had spent over a half million dollars for the Fillmore with Jim Jefferson years ago and did not produce any results. Mr. King stated that staff should always consult and work with the community because without community input and support, he was not going to vote for the proposed contract. Mr. King added that the community should be shown some respect by keeping it informed.

Commissioner Palamountain stated that she was surprised to hear the public testimony that the Western Addition community was not consulted and agreed with Commissioner King that the community should be kept informed of such important matters. Ms. Palamountain noted that the Commission memorandum indicated that the money for the Western Addition was to assist in start-up costs and asked if there had been outreach to the Western Addition specifically the merchants on Fillmore Street. Ms. Palamountain asked what input from the community had been provided on the business development program.

Mr. Gordon stated that he had informal discussions with Fillmore merchants during the last year and a half and reminded the Commission that the funding it received from the Agency was for work in the Sixth Street area. The limited outreach in the Fillmore area was out of personal interest through work with the NAACP and as a resident of Western Addition. Mr. Gordon added that the funds would be used to maintain an office in the Fillmore that would be open a half day, five days a week.

Ms. Shirley Wysinger, Senior Project Manager for Western Addition stated that the proposed MOCD contract would be added to the agenda for the June 26th community meeting in Western Addition and solicit input from the community. Ms. Wysinger stated that merchants from the Fillmore area suggested restructuring the loan program including increasing the amounts of the micro loans and modifying the loan criteria.

Commissioner Palamountain stated that there had been an ongoing theme from the Commission about building a more structured community representation in Western Addition and it was disappointing to hear that the proposed MOCD contract was not discussed with the community.

Executive Director Rosen stated that the matter had been discussed in the monthly reports for the Fillmore and was surprised to hear the public testimony because she had spoken to Mrs. Rogers about this item last week and she had not expressed these concerns about the proposed MOCD contract. Ms. Rosen stated that staff had been working with the Fillmore merchants to review and update the loan criteria to meet the current needs of the businesses along Fillmore Street. Ms. Rosen stated that in reviewing the proposed MOCD contract, she felt it was unfair that the Western Addition was not benefiting from the business development services afforded to small businesses in other redevelopment project areas under the MOCD contract, and wanted to ensure that the services were available when the small business loan program for the Fillmore was up and running. Ms. Rosen reminded the Commission that the MOCD contract was a renewal of last year's contract. Ms. Rosen stated that she was aware that Urban Solutions had done some outreach in the Fillmore but they had no funds specifically

targeted for Fillmore in the current contract. Funds for the Western Addition were included in the proposed MOCD contract to enable Urban Solutions to begin its organizing and outreach to the Fillmore merchants to prepare the loan packages for the reconfigured loan program for the Fillmore. The work that staff had been doing on the Fillmore loan program was discussed with the community. There was still money left over from the loan program that was administered by Community Bank of the Bay, and the proposed MOCD contract included funds for Western Addition to help start the efforts of assisting the business in the Fillmore. Ms. Rosen added that as the loan program was restructured, staff would ensure input from the community and her intention was simply to not ignore the Western Addition in the proposed MOCD agreement.

Following a brief recess, the Commission continued its discussion.

Commissioner Romero thanked the Executive Director for the explanation and understood the Executive Director's positive intention to include the Western Addition in the MOCD contract. Mr. Romero expressed concern with the lack of community input and stated that it was always good practice to have community support for such programs. Mr. Romero asked what the impact would be on delaying approval of the contract and could the proposed contract be amended to exclude the proposed funding for Western Addition.

Executive Director Rosen pointed out that the next scheduled Commission meeting was July 8th and stated that the Commission had the authority to ratify contracts retroactively to July 1st to ensure continuity of funding. Ms. Rosen stated that the contract could be amended to exclude funding for Western Addition, and at a later time, the Commission could consider further amendment of the contract to reinstate funding for Western Addition.

Commissioner Romero stated that he would prefer delaying the matter until July 8th and retroactively ratifying the contract effective July 1st, and he would support such a motion to continue the matter.

Commissioner Singh asked why the contract was with two organizations, Urban Solutions and San Francisco Renaissance, because he stated that it did not make sense to have separate contracts.

Executive Director Rosen explained that the letter agreement was with the Mayor's Office of Community Development which would administer the contracts with Urban Solutions and San Francisco Renaissance. This is similar to the contract the Commission approved for the Private Industry Council to administer employment training and placement contracts with various community-based organizations. Ms. Rosen reminded the Commission that Mayor Brown wrote a letter to the Commission in 2000

recommending consolidation of the delivery of economic development services throughout the City. Ms. Rosen added that the only difference with the current proposed letter agreement with MOCD was the inclusion of funding for the Western Addition.

President Sexton stated that because of unanticipated issues surrounding funding for Western Addition and the lack of community input, she would support a continuance of the matter to the July 8th Commission meeting so that the staff report could be expanded to include information requested by Commissioner Singh about the number of business served by Urban Solutions and also the community's response and input following the June 26th community meeting.

Commissioner Yee stated that he heard the community loud and clear and that Mary Rogers was very knowledgeable and well respected member of the Western Addition community. Mr. Yee stated that the Commission was in agreement that additional time was needed to communicate with the community and receive its input. Mr. Yee put forth a motion to continue item 4 (b) to the Commission meeting of July 8th.

Commissioner Palamountain asked the representative from the MOCD if there would be a disruptive effect on delaying approval of the letter agreement.

Mr. Al Lerma of the MOCD stated that it could accommodate a one-week or so rollover without too much disruption to the services as MOCD had some funds to continue the contracts until the funding from the Agency was made available. Mr. Lerma added that MOCD continued to support the partnership with the Agency in the delivery of the economic development services. He reminded the Commission that the focus of the contracts with Urban Solutions and San Francisco Renaissance was for the South of Market and the Bayview communities, and that it was in the spirit of expanding the services that it was suggested to include the Western Addition. The strategy was to work with existing community based organizations to expand the services to underserved communities.

Commissioner Palamountain seconded Commissioner Yee's motion to continue item 4 (e) to the Commission meeting of July 8th.

Commissioner Romero thanked Mr. Lerma for his response and explanation. Mr. Romero asked if the Commission could hear from Urban Solutions and San Francisco Renaissance.

Mr. Gordon stated the delay would be disruptive as they may not be able to meet their payroll and pointed out that the funds for Western Addition represent only 11% or \$55,000 of the total budget. He stated he would prefer going forward with the contract today without the Western Addition funds. Mr. Gordon requested the Commission to not delay approval of the contract and to approve it without the Western Addition funds.

Ms. Angela Kane of San Francisco Renaissance stated that she agreed with Mr. Gordon and asked the Commission to move forward with the contract.

Commissioner Romero stated that he appreciated the input and that he was being persuaded to not delay action on the letter agreement and approve it without the Western Addition funds. Mr. Romero stated that Urban Solutions and San Francisco Renaissance had legitimate concerns about complications that may arise from delaying approval of the letter agreement. Mr. Romero stated that he would make a motion at the appropriate time to adopt item 4 (b) without the \$55,000 designated for Western Addition with the full intention of reinstating the funds after the community had been consulted following the June 26th community meeting, if the community so chose.

Commissioner King stated that he understood Mary Rogers' concerns about community input and he did not recall seeing any report about the work that had been done in the Bayview. Mr. King stated that he would support continuance of the matter and asked why there was not a Commission meeting on July 1st.

President Sexton responded that the July 1st Commission meeting was cancelled because she was not available.

Commissioner Yee asked the General Counsel if it was proper procedure to hear public comment after he made his motion, which had been seconded.

General Counsel Ontiveros responded that the public comment was in response to Commissioner Romero's questions while the Commission was discussing the motion to continue the matter.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. PALAMOUNTAIN, THAT ITEM 4 (b) RESOLUTION NO. 95-2003, AUTHORIZING A LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR A PERIOD OF THREE YEARS IN THE AMOUNT OF \$628,233 FOR FY 2003-04, \$647,080 FOR FY 2004-05 AND \$666,493 FOR FY 2005-06, SUBJECT TO APPROPRIATION OF FUNDS, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$1,941,806 FOR ADMINISTRATIVE COSTS AND BUSINESS DEVELOPMENT CONTRACTS WITH SOUTH OF

MARKET FOUNDATION AKA URBAN SOLUTIONS (ALL REDEVELOPMENT PROJECT AND SURVEY AREAS) AND SAN FRANCISCO RENAISSANCE (ALL REDEVELOPMENT PROJECT AREAS AND BAYVIEW HUNTERS POINT SURVEY AREA), BE CONTINUED TO THE COMMISSION MEETING OF JULY 8, 2003, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Ms. Palamountain
Mr. Singh
Mr. Yee
Ms. Sexton

AND THE FOLLOWING VOTED "NAY":

Mr. Romero

AND THE FOLLOWING WERE ABSENT:

Mr. Dunlop

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED AND ITEM 4 (b) WAS CONTINUED TO THE COMMISSION MEETING OF JULY 8, 2003

4 (c) Resolution No. 96-2003, Approving a fiscal year 2003-2004 budget for the Bayview Hunters Point Project Area Committee in an amount not to exceed \$118,380 for administrative and operations costs: Hunters Point Redevelopment Project Area and Bayview Hunters Point Redevelopment Survey Area

Presenters: Stan Muraoka

Speakers: Michael Hamman, Betty Davis, Angelo King

Commissioner Romero thanked members of the Bayview PAC for their input and put forth a motion to adopt item 4 (c). Commissioner Yee seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 96-2003, APPROVING A FISCAL YEAR 2003-2004 BUDGET FOR THE BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE IN AN AMOUNT NOT TO EXCEED \$118,380 FOR ADMINISTRATIVE AND OPERATIONS COSTS: HUNTERS POINT REDEVELOPMENT PROJECT AREA AND BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

Items 4 (d) and (e) were presented together and acted upon separately.

Item 8 (a), Report of the Executive Director was called out of order and presented prior to consideration of items 4 (d) and (e)

- 8 (a)** Presentation of current architectural plans for the Plaza Apartments project
Presenters: Erin Caron (Agency staff), Paula Taggart, Richard Stacey (architects)
- 4 (d)** Resolution No. 97-2003, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series in an amount not to exceed \$13,700,000 to finance the construction of 106 very low-income rental units, ground floor commercial space and the replacement of Bindlestiff Studio, 988-992 Howard Street, South of Market Earthquake Recovery Redevelopment Project Area
- 4 (e)** Resolution No. 97-2003, Authorizing a Second Amendment to the Tax Increment Affordable Housing Program Predevelopment Loan Agreement with Public Initiatives Development Corporation, a California nonprofit public benefit corporation, to increase the loan amount by \$810,361 for a total aggregate amount not to exceed \$2,500,000, for the predevelopment and construction of 106 very low income rental units, ground floor commercial space and the replacement of Bindlestiff Studio, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

Speakers: Olivia Malabuyo

Commissioner Romero shared that he also served as a member of the PIDC board and stated that he appreciated all the work that the architects and staff had done on the Plaza Apartments project. Mr. Romero commended staff, the architects and especially Erin Carson for her hard work. Mr. Romero

stated that he was glad to see the project move forward and put forth a motion to adopt item 4 (d).

Commissioner Palamountain thanked Erin Carson for tireless work and dedication and shared her admiration of the project architects for their involvement and commitment to creating a space that people would feel at home in and commended them for a job well done.

Commissioner Singh commended Olson Lee for his hard work and leadership and seconded Commissioner Romero's motion to adopt item 4 (d).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 97-2003, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$13,700,000 TO FINANCE THE CONSTRUCTION OF 106 VERY LOW-INCOME RENTAL UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIO, 988-992 HOWARD STREET, SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 97-2003, AUTHORIZING A SECOND AMENDMENT TO THE TAX INCREMENT AFFORDABLE HOUSING PROGRAM PREDEVELOPMENT LOAN AGREEMENT WITH PUBLIC INITIATIVES DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE LOAN AMOUNT BY \$810,361 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,500,000, FOR THE PREDEVELOPMENT AND CONSTRUCTION OF 106 VERY LOW INCOME RENTAL UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIO, 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (f) Workshop on the Phase I Conceptual Framework; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff)

Commissioner Yee asked why there was only 15% inclusionary housing contemplated for the Hunters Point Shipyard.

Mr. Don Capobres, Project Manager explained that the Hunters Point Shipyard Redevelopment Plan called for the 15% inclusionary housing; in addition, the developer would develop 15% affordable housing for a total of 30%. The Agency could also purchase an additional 14% affordable units that would provide for 44% affordable housing project wide.

Commissioner Palamountain asked about environmental issues relating to construction and hazardous materials cleanup activities. Ms. Palamountain asked for an update on the status of conveyance for Parcel A as well as the proximity of the west side or hillside of Parcel A with the cleanup efforts for Parcel E.

Mr. Capobres responded that the concept was to do integrated development to address the cleanup activities, particularly for Parcel B since it was further along the development timeline, but that there would not be integrated development for Parcel A. Mr. Capobres stated that there would be no new development until the regulators have signed-off on the cleanup of Parcel A and the historical radiological analysis was completed, scheduled in August. Potential adjacency and the methane issues on Parcel A were still outstanding and staff was looking to the regulators and the Agency and City's own analysis prior to the conveyance.

Commissioner Palamountain asked for an overview of the financial model for the conceptual framework, specifically the proposed internal rate of return for the developer.

Mr. Don Capobres stated that the total project costs including the predevelopment costs incurred by Lennar was still being worked at and would be subject to a third party review like an accounting type firm. Mr. Capobres explained that Lennar is a private developer that had its requirements for return on its investments, which included approximately \$10 million of predevelopment costs and about \$20 million to complete the project. Lennar's internal rate of return was 25% and for the land that the City was providing, its rate of return was 11%. In real terms, Lennar's rate of return for its investment in the long run would come out to be at 13%, which was below the average for the risk profile for the proposed project, in contrast to other private developments' rate of return in the high teens.

Commissioner Palamountain stated that she supported the community's request that jobs be calculated on an annual basis as opposed to a gross number, and that it made sense to discuss the community benefits as requested by the community to separate the developer's responsibilities.

Ms. Palamountain asked if the community provided input on the housing model of 30% rental and 70% ownership.

Mr. Capobres stated that the 70% ownership, 30% rental was a negotiated split and the community did provide input. Mr. Capobres stated that two factors were looked at in determining the split. Bayview had one of the highest rate of homeownership in the City and construction of rental housing had more complicated financing and management issues after it was built. Ownership housing projects would afford more opportunities to local builders that would contribute to the community benefits.

Executive Director Rosen added that the 70% and 30% split was for the land that Lennar or other developers would develop and did not include the land that would be developed by the Agency.

President Sexton referred to Exhibit D of the conceptual framework, which enumerated the predevelopment costs estimated at \$25 million including \$6.5 million from the City (to be reimbursed by Lennar) and \$13.5 million spent by Lennar, plus interest rolled up at 12%. Ms. Sexton asked how the interest rate of 12% was arrived at because it seemed high.

Mr. Capobres explained that the 25% internal rate of return would be triggered after the \$10 million of predevelopment costs were refunded and that would be before any land sales. The 12% interest rate was a negotiated number based on Lennar's internal cost of funds at the time. Mr. Capobres stated that the 12% interest was applied to the \$10 million and anything above that, the 25% interest would apply.

Commissioner Yee acknowledged that a project of such magnitude was very complicated and there would be investment risks for everyone involved. Mr. Yee stated that although he believed that the Navy would deliver its end of the deal, he asked if there were any chances that the Navy may not deliver and conveyance not occur.

Mr. Capobres stated that the planning process for the Shipyard had been going on since 1992 and for the first time in a decade, the Agency and the City was very close to a conveyance agreement with the Navy and this was attributed to the excellent work of the Mayor's Office of Economic Development in collaboration with the community. The conveyance for Parcel A was estimated to take place in the first quarter of 2004, possibly at the end of 2003. Mr. Capobres stated that more than any other time, the chances were very good in finalizing a conveyance agreement that would allow development to proceed.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

**6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA,
BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers, Essie Collins

7. REPORT OF THE PRESIDENT

- President Sexton thanked Mary Rogers for doing a great job on the Juneteenth Festival and noted there were more information on services than last year's festival and the participation was great.
- President Sexton recalled the workshop on SB211 and requested a copy of the chart listing the plan adoption and termination dates for redevelopment project areas.
- President Sexton asked everyone to join her in wishing the San Francisco Giants good luck in their opening series with the Los Angeles Dodgers.

8. REPORT OF THE EXECUTIVE DIRECTOR

(a) Presentation of current architectural plans for the Plaza Apartments project

Presented as part of item 4 (d) and (e), Plaza Hotel project

- Board of Supervisors approved the transfer of the Transbay parcel at its June 10th meeting and pending the approval of the Agency's budget; the transaction would close sometime at the end of July.
- First hearing on the Agency's budget held by the Board of Supervisors' Budget Committee on June 12th. The Agency's interim budget to be heard on June 24th and consideration of the regular budget on June 27th.
- Western Addition community meeting on June 26th from 6:00 to 8:00 p.m. at the West Bay Conference Center. The agenda had already been sent out, but a revised agenda would be sent to include discussion on the proposed letter agreement with the MOCD as the Commission instructed.
- Congratulations to staff on the interim closing of the Mariposa Gardens, preserving 63 affordable housing units.
- The Fillmore Bridge artwork project was completed and completed before the Juneteenth Festival on June 14th and 15th. All of the

scaffolding had been removed and the artwork looked beautiful. Agency staff would consult with the community on planning a celebration of the completion of the artwork at the Gene E. Suttle, Jr. plaza and would inform the Commission.

- Church Street Apartments was to receive a gold nuggets award from the Pacific Coast Homebuilders show on June 18th.
- As requested by President Sexton, provided an update on the Catellus contract payment issue: On June 13th, Catellus convened a meeting with Granite Construction, Marinship, City and Agency representatives to resolve the contract payment issues. By June 20th, Catellus would approve change orders to Marinship totaling approximately \$119,000 and Marinship within one week, would prepare and submit verifications on certain time and materials work and change orders, which would be reviewed by Granite and Catellus. There would be additional review for the time and materials conversion by June 25th and a scheduled meeting of all parties on July 2nd at 11:00 a.m. Staff believed that there was significant and ongoing progress achieved.

9. COMMISSIONERS' QUESTIONS AND MATTERS

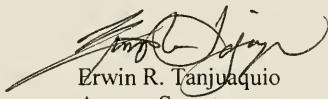
- Commissioner Yee thanked the Executive Director for the update on the Catellus contract payment matter and encouraged her to keep up the good work because it was important to treat small contractors with respect.
- Commissioner Yee stated that it was not right for the President to cancel a regular meeting because of her unavailability and shared Commissioner King's concerns with canceling meetings.

10. CLOSED SESSION: None.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:42 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

July 8, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF JUNE 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 24th day of June 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President
Ramon E. Romero, Vice-President
Mark Dunlop
Kathryn C. Palamountain (departed at 6:10 p.m.)
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

SEP 13 2007

Leroy King

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

**2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION
MEETING, IF ANY. None.**

3. MATTERS OF UNFINISHED BUSINESS: None

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Resolution No. 99-2003, Authorizing a First Amendment to the Personal Services Contract with the San Francisco African American Historical & Cultural Society, a California nonprofit public benefit corporation, to extend the time of performance for a research, education and documentation program of the pioneers and heroes included in the Gene E. Suttle, Jr. names project; Western Addition A-2 Redevelopment Project Area
- 4 (b) Resolution No. 100-2003, Authorizing a Second Amendment to the Housing Opportunities for Persons With AIDS (HOPWA) Capital Loan Agreement with West Hotel, L.P., a California limited partnership, to revise the loan term from 50 to 55 years for the rehabilitation of the West Hotel located at 145 Eddy Street; Agency HOPWA Program
- 4 (c) Resolution No. 101-2003, Authorizing a one-month extension of Memorandum of Agreement with the Service Employees International Union Local 790, International Federation of Professional and Technical Engineers Local 21, and San Francisco Redevelopment Employee Association (Professional/Technical Unit)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) RESOLUTION NO. 99-2003, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO AFRICAN AMERICAN HISTORICAL & CULTURAL SOCIETY, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TIME OF PERFORMANCE FOR A RESEARCH, EDUCATION AND DOCUMENTATION PROGRAM OF THE PIONEERS AND HEROES INCLUDED IN THE GENE E. SUTTLE, JR. NAMES PROJECT; WESTERN ADDITION A-2 REDEVELOPMENT PROJECT AREA, 4 (b) RESOLUTION NO. 100-2003, AUTHORIZING A SECOND AMENDMENT TO THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) CAPITAL LOAN AGREEMENT WITH WEST HOTEL, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE LOAN TERM FROM 50 TO 55 YEARS FOR THE REHABILITATION OF THE WEST HOTEL LOCATED AT 145 EDDY STREET; AGENCY HOPWA PROGRAM, AND 4 (c) RESOLUTION NO. 101-2003, AUTHORIZING A ONE-MONTH EXTENSION OF MEMORANDUM OF AGREEMENT WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 790, INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS LOCAL 21, AND SAN FRANCISCO REDEVELOPMENT EMPLOYEE ASSOCIATION (PROFESSIONAL/TECHNICAL UNIT) BE ADOPTED.

REGULAR AGENDA

4 (d) Resolution No. 102-2003, Public Hearing and Authorizing a Purchase and Sale Agreement with Jordan Housing Corporation, a California nonprofit public benefit corporation, in the amount of \$2,050,000, for the sale of the improvements located at 820 O'Farrell Street (Jordan Apartments); Citywide Tax Increment Affordable Housing Program

Presenters: Michele Davis (Agency staff)

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 102-2003, PUBLIC HEARING AND AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH JORDAN HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN THE AMOUNT OF \$2,050,000, FOR THE SALE OF THE IMPROVEMENTS LOCATED AT 820 O'FARRELL STREET (JORDAN APARTMENTS); CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

4 (e) Resolution No. 103-2003, Authorizing 1) a Memorandum of Understanding and a Predevelopment Grant Agreement with Bindlestiff Studio, an unincorporated organization, in an amount not to exceed \$140,390, for predevelopment activities associated with a new community theater at the Plaza Apartments, to be constructed at 988-992 Howard Street; and 2) a Fiscal Agent Contract with Tenants and Owners Development Corporation, a nonprofit public benefit corporation, to act as fiscal agent for Bindlestiff Studio; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Isabella Wong (Agency Staff), Olivia Malabuyo (Bindlestiff Studio), Marie Ramos (TODCO)

Speakers: Allan Silva, Tina Bartolome, Dino Ignacio, Hayato Yoshida, Kevin Sun, Morningstar Vancil, Diego Sanchez, Tim Dunn, Siwaraya Rochanahusdin, Rene Acosta, Mark Marking, Vinay Patel

Commissioner Romero thanked everyone who came to the meeting and commended Ms. Olivia Malabuyo for doing a great job in representing Bindlestiff Studio and jested that there may be a theatrical play in the making of the Plaza Hotel and Bindlestiff Studio's saga. Mr. Romero stated that he was pleased to see a successful ending for Bindlestiff Studio and that the predevelopment grant was an important step in Bindlestiff's success. Mr. Romero thanked TODCO for its hard work as well as Agency staff. Mr. Romero put forth a motion to adopt item 4 (e).

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (e).

Commissioner Dunlop stated that Bindlestiff Studio was well on its way to becoming a true partner of San Francisco's art community and hoped that all would go well at the July 10th Planning Commission meeting when it considers approval of the Plaza Apartments project. Mr. Dunlop stated that he was thrilled to see so many people in attendance at the meeting and recalled the spirited meetings about the Plaza Hotel over two years ago and it was exciting to see the progress with the project. Mr. Dunlop stated that the Filipino-American community had been underserved for a long time and deserved recognition and the Bindlestiff Studio project was really a gift not only to the South of Market, but to the whole City as well. Mr. Dunlop stated that Bindlestiff Studio deserved the support of the Agency and City and thanked the staff of PIDC for its dedication and hard work.

Commissioner Yee stated that he was happy to see the project move forward and reminded the public of his early and continued support for Bindlestiff Studio and recalled asking staff to ensure that adequate funding was available for Bindlestiff Studio. Mr. Yee stated that it would not be long until there was a Filipino-American artistic hub and that he was proud of the community. Mr. Yee commended Ms. Olivia Malabuyo for doing a good job and reiterated his strong support and thanked staff and the public for attending the meeting.

Commissioner Palamountain stated that she was always happy to see and hear testimony from Bindlestiff Studio artists because they represented the future generation. Ms. Palamountain stated that the design for the Plaza Apartments accommodated adequate space for the community theater and encouraged continued communication with staff on the final design of the theater space. Ms. Palamountain stated that the new Bindlestiff Studio would help transform the South of Market community and thanked everyone for coming to the meeting.

Commissioner Yee asked if there was a conflict with Ms. Olivia Malabuyo's employment with TODCO who was also the fiscal agent for Bindlestiff Studio.

General Counsel Bertha A. Ontiveros responded that there was not a conflict.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 103-2003, AUTHORIZING 1) A MEMORANDUM OF UNDERSTANDING AND A

PREDEVELOPMENT GRANT AGREEMENT WITH BINDLESTIFF STUDIO, AN UNINCORPORATED ORGANIZATION, IN AN AMOUNT NOT TO EXCEED \$140,390, FOR PREDEVELOPMENT ACTIVITIES ASSOCIATED WITH A NEW COMMUNITY THEATER AT THE PLAZA APARTMENTS, TO BE CONSTRUCTED AT 988-992 HOWARD STREET; AND 2) A FISCAL AGENT CONTRACT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A NONPROFIT PUBLIC BENEFIT CORPORATION, TO ACT AS FISCAL AGENT FOR BINDLESTIFF STUDIO; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Item 4 (h) of the Agenda was called out of order and considered before item 4 (f).

4 (h) Resolution No. 106-2003, Authorizing a First Amendment to a Personal Services Contract with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, to extend the term for three months and increase the amount by \$75,000, for a total aggregate amount not to exceed \$375,000, for homeowner assistance and housing development activities; Agency Citywide Tax Increment Housing Program

Presenters: Chris Harris (Agency staff), Regina Davis (SFHDC)

Speakers: Lynette Sweet, Mary Helen Rogers, Pauline Peele, Cherene Sandidge, Michael Harris, Marlene Harris

Commissioner Dunlop put forth a motion to adopt item 4 (h) and thanked staff for its hard work and stated that staff deserved a lot of praise. Mr. Dunlop also thanked Ms. Regina Davis for her dedication to assisting first-time homebuyers.

Commissioner Singh commended Ms. Regina Davis for her hard work and seconded Commissioner Dunlop's motion to adopt item 4 (h).

Commissioner Palamountain stated that she was supportive of the contract with the San Francisco Housing Development Corporation (SFHDC), but reminded that there were challenges with the homeownership program and asked if the homeowner assistance program included an educational training for future homebuyers.

Executive Director Marcia Rosen responded that educational training for future homebuyers was included and added that SFHDC served the whole City including the Western Addition and Bayview Hunters Point. SFHDC was an approved counseling agency by the Department of Housing and Urban Development and staff would continue to work with SFHDC to

ensure community participation including involvement by the Bayview Hunters Point Project Area Committee.

Commissioner Palamountain stated that she hoped that the scope of the contract spelled out clearly the educational training component and requested to see the actual materials for the educational training because she recalled previous problems with the homeownership program.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 106-2003, AUTHORIZING A FIRST AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM FOR THREE MONTHS AND INCREASE THE AMOUNT BY \$75,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$375,000, FOR HOMEOWNER ASSISTANCE AND HOUSING DEVELOPMENT ACTIVITIES; AGENCY CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (f) Resolution No. 104-2003, Authorizing a Personal Services Contract with the Market Street Association, a California nonprofit public benefit corporation, for one year in an amount not to exceed \$80,000, with two one-year options, for a total maximum aggregate amount not to exceed \$240,000, subject to appropriations of funds, for administrative, coordination, and outreach services to the Mid-Market Project Area Committee; Mid-Market Redevelopment Survey Area

Presenters: Lisa King (Agency staff)

Speakers: Byron Yee

Commissioner Palamountain thanked Ms. Lisa King for her presentation and inquired about the bilingual newsletter and if there were translation services available at the Project Area Committee (PAC) meetings.

Ms. Lisa King, Senior Planner, responded that the Mid-Market newsletter was published in Tagalog, Chinese and Spanish in addition to English and added that more money in the contract had been allocated for the cost of translation. Ms. King stated that staff would work harder in providing translation services at the PAC meetings.

Commissioner Palamountain stated that she appreciated staff's efforts on the bilingual publications and had seen marked improvements on the newsletter and other written materials.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 104-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE MARKET STREET ASSOCIATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR ONE YEAR IN AN AMOUNT NOT TO EXCEED \$80,000, WITH TWO ONE-YEAR OPTIONS, FOR A TOTAL MAXIMUM AGGREGATE AMOUNT NOT TO EXCEED \$240,000, SUBJECT TO APPROPRIATIONS OF FUNDS, FOR ADMINISTRATIVE, COORDINATION, AND OUTREACH SERVICES TO THE MID-MARKET PROJECT AREA COMMITTEE; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

4 (g) Resolution No. 105-2003, Approving a fiscal year 2003-2004 budget for the South of Market Project Area Committee in an amount not to exceed \$188,741 and Authorizing a First Amendment to the Personal Services Contract with the San Francisco Community Clinic Consortium, a California non-profit public benefit corporation, to extend the contract by one year and to increase the maximum amount payable by \$167,128 for an aggregate amount not to exceed \$349,104, subject to funding approval by the Board of Supervisors; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Michelle Ponce (Agency staff)

Speakers: Antoinetta Stadlman

Commissioner Dunlop asked why there was a higher contract amount for the South of Market Project Area Committee than the Mid-Market Project Area Committee.

Ms. Michelle Ponce, Project Associate, explained that the Market Street Association provided services to the Mid-Market PAC on a contract basis and did not have office rent costs like the South of Market PAC. Ms. Ponce added that Mid-Market was still a survey area while South of Market was a full redevelopment project area and the PAC employed a full-time staff to administer the PAC's work.

Commissioner Dunlop thanked Ms. Ponce for her explanation and thanked Ms. Antoinetta Stadlman's for her statements about the hard-working staff at the Agency and concurred wholeheartedly. Mr. Dunlop put forth a motion to adopt item 4 (g).

Commissioner Palamountain seconded Commissioner Dunlop's motion to adopt item 4 (g).

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (g) RESOLUTION NO. 105-2003, APPROVING A FISCAL YEAR 2003-2004 BUDGET FOR THE SOUTH OF MARKET PROJECT AREA COMMITTEE IN AN AMOUNT NOT TO EXCEED \$188,741 AND AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO COMMUNITY CLINIC CONSORTIUM, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE CONTRACT BY ONE YEAR AND TO INCREASE THE MAXIMUM AMOUNT PAYABLE BY \$167,128 FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$349,104, SUBJECT TO FUNDING APPROVAL BY THE BOARD OF SUPERVISORS; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (i) Resolution No. 107-2003, Commending and expressing appreciation to Agency General Counsel Bertha A. Ontiveros upon her departure for her dedicated service and contributions to the Redevelopment Agency of the City and County of San Francisco

Executive Director Marcia Rosen stated that she personally valued Ms. Bertha A. Ontiveros' assistance when she started as Executive Director and thanked Ms. Ontiveros for her wise counsel and wished her the best of luck. Ms. Rosen read the commendation resolution for Ms. Ontiveros.

President Sexton stated that she would miss Ms. Ontiveros and shared that she knew her before coming to the Agency Commission.

Commissioner Dunlop stated that he would miss Ms. Ontiveros and remarked that she deserved to receive combat pay in her work as General Counsel. Mr. Dunlop commended Ms. Ontiveros for doing an admirable job in deftly handling on the spot questions from the Commission. Mr. Dunlop stated that it had been a pleasure to know and work with Ms. Ontiveros and wished her good luck in El Paso, Texas.

Commissioner Singh stated that he would miss Ms. Ontiveros and wished her the best in El Paso, Texas.

Commissioner Romero stated that he understood why Ms. Ontiveros wanted to move to El Paso, Texas because he recalled living in El Paso when he was two years old and that it was a great place to live. Mr. Romero shared that he met Ms. Ontiveros in 1977 at the Boalt School of Law at the University of California in Berkeley and had seen her achieve a successful career as an attorney. Mr. Romero added that the Commission meetings had run relatively smooth because of the wise counsel from Ms. Ontiveros and

commended her for doing a great job. Mr. Romero expressed his personal appreciation of Ms. Ontiveros' hard work and wished her good luck in the future.

Commissioner Palamountain stated that she had not been a lawyer long enough to really appreciate Ms. Ontiveros' prior work, but commended her for doing an admirable job as the Agency's General Counsel. Ms. Palamountain stated that Ms. Ontiveros brought to the position a certain grace under fire often experienced at Commission meetings and shared that she was also from Texas and that people from El Paso were very warm. Ms. Palamountain wished Ms. Ontiveros the best of luck in Texas.

Commissioner Yee remarked that Ms. Ontiveros' departure from the Agency was a bittersweet event because she had done an outstanding job as the Agency's General Counsel. Mr. Yee stated that he would miss Ms. Ontiveros, but understood the importance of family and wished her good luck and continued success.

General Counsel Ontiveros thanked the Commissioners for the opportunity to work with them on many important Agency projects and although there were some challenging times, the work was fun and she valued the tremendous experience at the Agency. Ms. Ontiveros thanked Agency staff and stated that she enjoyed working with them and would miss them.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 107-2003, COMMENDING AND EXPRESSING APPRECIATION TO AGENCY GENERAL COUNSEL BERTHA A. ONTIVEROS UPON HER DEPARTURE FOR HER DEDICATED SERVICE AND CONTRIBUTIONS TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**
 - Dave Osgood
7. **REPORT OF THE PRESIDENT** None.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Update on the Agency's 2003-2004 budget: Board of Supervisors passed an interim budget for the Agency at its June 17, 2003 meeting with further discussions on the Agency's final budget and scheduled consideration and approval at the Board of Supervisors' meeting on July 15th.
- SB211 Ordinance was being scheduled at the Board of Supervisors and may require another meeting.
- Congratulations to staff on the Herald Hotel bonds closing. This was the Agency's 19th preservation project with a total of 1,900 affordable units preserved. Ms. Rosen thanked Jeff White for his hard work on the Herald Hotel project.
- Western Addition monthly community meeting on June 26th from 6:00 to 8:00 p.m. at the West Bay Conference Center.
- Bessie Carmichael Elementary School groundbreaking on June 28th from 12:00 noon to 2:00 p.m. at 55 Sherman Street crossing Folsom and Harrison Streets.
- Informed the Commission and the public of the passing of Enola Maxwell, Supervisor Sophie Maxwell's mother, on June 23rd. Ms. Rosen suggested that the Commission adjourn the meeting in Enola Maxwell's memory.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh asked if staff had a response to Mr. Dave Osgood's comments.

Executive Director Rosen stated that an informational memorandum would be prepared for the Commission.

- Commissioner Yee referred to the informational memorandum regarding the Agency's messenger delivery services and verified that the contract with On-Target Delivery Service would be extended.

Executive Director Rosen affirmed and informed the Commission that the extension of the contract with On-Target was scheduled for consideration at the July 8th Commission meeting.

10. CLOSED SESSION:

Staff presentation estimated time: 10 minutes

- (a) Pursuant to Government Code § 54957.6 to instruct Agency designated representatives to negotiate with San Francisco Redevelopment Employee Association (Professional/ Technical Unit), Service Employees International Union (SEIU) Local 790, and International Federation of Professional and Technical Engineers (IFPTE) Local 21. Agency negotiators: Marcia Rosen, Ayisha Benham, Bertha Ontiveros, and Ora Meacham.

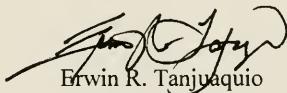
Staff presentation estimated time: 10 minutes

- (b) Pursuant to Government Code §54956.8 to instruct the Agency's real property negotiators with respect to price and terms with regard to a foreclosure sale. The property is located at 1330-1340 Turk Street. The owner of the property is L & L Enterprises, Inc. Agency negotiators: Olson Lee, Sean Spear and Michele Davis.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:42 p.m. The June 24, 2003 Commission meeting was adjourned in memory of Enola Maxwell.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

July 22, 2003



